3493688.

Santa fe Limited

Report and Financial Statements

25 February 2007

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COMPANIES HOUSE

Registered No 3493688

Directors

Aaron Brown
Timothy Smalley
Ian Payne
Paul Symonds
Suzanne Baker
Christian Keen

Secretary

Eversecretary Limited
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Bedforshire
LU1 3LU

Registered office

Porter Tun House
500 Capability Green
Luton
Bedfordshire
LU1 3LS

Directors' report

The dırectors present theır annual report wıth the financıal statements of the company for the year ended 25 February 2007

Results and dividends

The profit for the year ended of £117,000 (39 weeks ended 26 February 2006 profit £422,000) wıll be transferred to reserves The dırectors do not recommend the payment of a dıvıdend (perıod ended 26 February 2006 £nıl)

Principal activities and review of the business

The company's prıncıpal actıvıty durıng the year contınues to be the operatıon of restaurants The dırectors are satısfied wıth the tradıng performance of the busıness and expect that thıs wıll contınue for the current year The company's key performance ındıcators were as follows

	25 February 2007	*26 February 2006*	*Change*
Gross profit margın	7 5%	13 6%	-6 1%
Operatıng profit margın	2 1%	7 2%	-5 1%
No of employees	214	209	5

The gross profit margın has decreased by 6 1% due to one off rates rebates receıved ın 2006 and ıncreased house costs

The operatıng margın has decreased by 5 1% due to the same reasons as the gross margın decrease

The no of employees has slıghtly ıncreased

The dırectors are currently ın dıscussıons wıth the Group's lenders wıth a vıew to restructurıng the Group's borrowıng facılıtıes The dırectors are confident that thıs wıll be completed by March 2008 and consıderıng the company's abılıty to meet all ıts future oblıgatıons based on the projected cash flows, the dırectors therefore consıder ıt approprıate to prepare the financıal statements on a goıng concern basıs

Principal risks and uncertainties

The group has a strong ınternal audıt department whıch maıntaıns a comprehensıve cash handlıng polıcy and ensures there ıs mınımal cash leakage out of the busıness

The legıslatıon changes regardıng all day lıcencıng has had mınımal ımpact due to the sıtes contınuıng to trade under the same tradıng hours as before

Directors' report

Directors

The current directors are shown on page 1 The directors in office during the year are listed below All served on the board throughout the year unless otherwise indicated

	Appointed	*Resigned*
Julian Sargeson	–	19 May 2006
Timothy Smalley	–	–
Aaron Brown	–	–
Stephen Brown	–	31 January 2007
Ian Payne	–	–
Paul Symonds	6 September 2006	–
Suzanne Baker	6 September 2006	–
Christian Keen	29 November 2006	–

The directors had no interest in the ordinary shares of the company at any time during the year

No director had any interests in any contract or arrangements of a material nature with the company, its subsidiaries, its fellow subsidiaries or its ultimate parent company during the year under review

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Employee involvement

The company places great importance on the involvement of its employees They are kept informed of developments through regular meetings All employees are encouraged to participate in internal or external training schemes to enhance their career prospects

The company gives full consideration to applications for employment from disabled persons where the requirement of the job can be adequately fulfilled by a disabled person Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate

The company supports the employment of disabled people wherever possible, both in recruitment and in retention of those who become disabled during their employment

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board

Christian Keen

Director

12 November 2007

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year 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 that year 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 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

Independent auditors' report

to the members of Santa fe Limited

We have audited the company's financial statements for the year ended 25 February 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 19 These financial statements have been prepared on the basis of the accounting policies set out therein

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 auditors' 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 the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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)

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements

We also report to you if, in our opinion, 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 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 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

Independent auditors' report

to the members of Santa fe Limited (continued)

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 February 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Luton
16 November 2007

Profit and loss account

for the year ended 25 February 2007

	Notes	*Year Ended 25 February 2007 £'000*	*39 weeks ended 26 February 2006 £'000*
Turnover	3	7,341	5,836
Cost of sales		(6,793)	(5,045)
Gross profit		548	791
Selling and distribution costs		(371)	(357)
Administrative expenses		(22)	(13)
Operating profit	4	155	421
Interest receivable and similar income	7	1	1
Profit on ordinary activities before taxation		156	422
Tax on profit on ordinary activities	8	(39)	–
Profit for the financial year	16	117	422

All results are in respect of continuing activities

There were no other recognised gains or losses other than those included in the profit and loss account and consequently no statement of total recognised gains and losses is presented

Balance sheet

at 25 February 2007

	Notes	*25 February 2007 £'000*	*26 February 2006 £'000*
Fixed assets			
Tangible assets	9	1,803	2,128
Current assets			
Stocks	10	77	66
Debtors	11	9,028	3,158
Cash at bank and in hand		228	226
		9,333	3,450
Creditors: amounts falling due within one year	12	(8,669)	(3,268)
Net current assets		664	182
Total assets less current liabilities		2,467	2,310
Creditors amounts falling due after more than one year	13	(2,551)	(2,550)
Total assets less current liabilities		(84)	(240)
Provisions for liabilities and charges	14	(39)	–
Net liabilities		(123)	(240)
Capital and reserves			
Called up share capital	15	3,000	3,000
Share premium account	16	381	381
Profit and loss account	16	(3,504)	(3,621)
Total equity shareholders' funds	16	(123)	(240)

Christian Keen

Director

12 November 2007

Notes to the financial statements

at 25 February 2007

1. Accounting policies

The financial statements of Santa fe Limited were approved for issue by the Board of Directors on 9 November 2007

Basis of Preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Going concern

These financial statements have been prepared on a going concern basis since the ultimate parent undertaking, Laurel Pub Equity Holdings Limited, has agreed to provide financial support as necessary to enable the company to meet its liabilities as they fall due

Cash flow statement

The company has taken advantage of the provisions of paragraph 5 of FRS 1 "Cash Flow Statements" and has not produced a cash flow statement

Tangible fixed assets

Fixed assets are stated at cost less any accumulated depreciation

Depreciable fixed assets are written off on a straight line basis over their estimated useful lives The rates of depreciation are as follows

- leasehold properties are depreciated to their estimated residual values over the shortest of 50 years, their estimated useful lives and their remaining lease periods,
- administration furniture, fixtures, fittings and equipment are depreciated over 2 to 25 years, or the remaining period of the lease if shorter, and
- retail furniture, fixtures and equipment are depreciated over 3 to 25 years, or the remaining period of the lease if shorter

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 cost is charged to the profit and loss account Profit 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 stated at the lower of cost and net realisable value

Leasing commitments

Rental payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred

Lease incentives or rent free periods will be held on the balance sheet within deferred income and released on a straight line basis over the life of the lease, or the period until the next rent review date if earlier

Pension costs

Contributions to the insured money purchase pension schemes and private pension plans, of which certain directors and staff are members, are charged to the profit and loss account as incurred

Notes to the financial statements

At 25 February 2007

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is provided in accordance with Financial Reporting Standard ("FRS") 19 on all timing differences arising from the different treatment of items for accounts and taxation purposes calculated at rates at which it is estimated that tax will arise Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

2. Auditors' remuneration

Auditors' remuneration has been borne by other group companies in the current financial year and previous period The estimated auditors' remuneration for the year for this company amounted to £15,000 (2006 £20,000)

3. Turnover

Turnover represents the amounts invoiced to third parties during the year, excluding value added tax, and net of discounts

Turnover is attributable to one continuing activity, being the sale of food, beverages and related sales All turnover is invoiced in, and originates from, the UK

4. Operating profit

This is stated after charging

	Year ended 25 February 2007	*39 weeks ended 26 February 2006*
	£'000	*£'000*
Depreciation of tangible fixed assets	411	304
Operating lease rentals – land and buildings	1,078	794

Notes to the financial statements

at 25 February 2007

5. Directors' emoluments

The dırectors receıved no remuneratıon for theır servıces ın respect of the company ın the financıal year
The company had no employees other than the dırectors

6. Staff costs

	Year ended 25 February 2007 £'000	*39 weeks ended 26 February 2006 £'000*
Wages and salarıes	2,077	1,672
Socıal securıty costs	155	130
	2,232	1,802

There were no costs relatıng to dırectors ın the current year or prevıous financıal perıod

	2007 No	*2006 No*
The average number of employees durıng the year was	214	209

7. Interest receivable and similar income

	Year ended 25 February 2007 £'000	*39 weeks ended 26 February 2006 £'000*
Bank ınterest receıvable	1	1

Notes to the financial statements

at 25 February 2007

8. Tax on ordinary activities

There ıs no lıabılıty to corporatıon tax ın respect of the penod by vırtue of the utılısatıon of brought forward tax losses ıncurred

(a) The tax charge ıs made up as follows

	Year ended 25 February 2007 £'000	*39 weeks ended 26 February 2006 £'000*
Current tax		
UK corporatıon tax on the profit/(loss) for the year	–	–
Total current tax	–	–
Ongınatıon and reversal of tımıng dıfferences	39	–
Total deferred tax	39	–
Tax on loss on ordınary actıvıtıes	39	–

(b) Factors affectıng tax charge for the year

	Year ended 25 February 2007 £'000	*39 weeks ended 26 February 2006 £'000*
Profit/(loss) on ordınary actıvıtıes before tax	156	422
Profit/(loss) on ordınary actıvıtıes multıplıed by standard rate of corporatıon tax ın the UK of 30% (2005 30%)	47	127
Effects of		
Expenses not deductıble for tax purposes	70	45
Capıtal allowances ın arrears of depreciatıon	83	31
Other tımıng dıfferences	(65)	–
Utılısatıon of tax losses	(135)	(203)
Current tax for the year	–	–

Notes to the financial statements

at 25 February 2007

8. Tax on ordinary activities (continued)

(c) Deferred tax

	2007 *£'000*	*2006* *£'000*
Accelerated capital allowances	143	226
Tax losses carried forward	(104)	(398)
Total deferred taxation liability/(asset)	39	(172)

The deferred tax balance in 2006 was unprovided, the 2007 balance has been provided in the accounts (see note 14)

9. Tangible fixed assets

	Leasehold premises and improvements *£'000*	*Fixtures and equipment* *£'000*	*Total* *£'000*
Cost			
As at 27 February 2006	2,797	2,283	5,080
Reclassification	(509)	(235)	(744)
As at 27 February 2006 restated	2,288	2,048	4,336
Additions	-	86	86
As at 25 February 2007	2,288	2,134	4,422
Depreciation			
As at 27 February 2006	1,524	1,428	2,952
Reclassification	(581)	(163)	(744)
As at 27 February 2006 restated	943	1,265	2,208
Charge for the year	139	272	411
As at 25 February 2007	1,082	1,537	2,619
Net book value			
At 25 February 2007	1,206	597	1,803
At 26 February 2006	1,273	855	2,128

The opening balances have been restated to correctly classify the assets following an impairment adjustment made in the prior year

There is no impact on the opening net book values

Notes to the financial statements
at 25 February 2007

10. Stocks

	25 February 2007 £'000	26 February 2006 £'000
Stocks	77	66

11. Debtors

	25 February 2007 £'000	26 February 2006 £'000
Trade debtors	88	–
Amounts owed by group undertakings	8,776	2,943
Other debtors	46	55
Prepayments and accrued income	118	160
	9,028	3,158

12. Creditors: amounts falling due within one year

	25 February 2007 £'000	26 February 2006 £'000
Trade creditors	242	189
Amounts owed to group undertakings	7,685	2,550
Other taxes and social security costs	181	114
Other creditors	16	27
Accruals and deferred income	545	388
	8,669	3,268

13. Creditors: amounts falling due after more than one year

	25 February 2007 £'000	26 February 2006 £'000
Amount owed to parent undertaking	2,551	2,550

Notes to the financial statements

at 25 February 2007

14. Provisions for liabilities and charges

	Deferred Tax Total £'000
At 26 February 2006	–
Movement on deferred tax	(39)
At 25 February 2007	(39)

15. Share capital

	25 February 2007 £'000	*26 February 2006 £'000*
Authorised		
5,000,000 ordinary shares of £2 each	10,000	10,000
Allotted, called up and fully paid		
1,500,000 ordinary shares of £2 each	3,000	3,000

16. Reconciliation of shareholders' funds and movements on reserves

	Share capital £'000	*Share premium account £'000*	*Total Profit and loss account £'000*	*Total share-holders' funds £'000*
At 29 May 2005	3,000	381	(4,043)	(662)
Retained profit for the period	–	–	422	422
At 26 February 2006	3,000	381	(3,621)	(240)
Retained profit for the year	–	–	117	117
At 25 February 2007	3,000	381	(3,504)	(123)

Notes to the financial statements

at 25 February 2007

17. Other financial commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	25 February 2007	*26 February 2006*
	£'000	*£'000*
Operating leases which expire		
More than five years	713	1,084

18. Related party transactions

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group

19. Ultimate parent undertaking

The immediate parent company is Santa Fe Group Limited, a company incorporated in Great Britain and registered in England and Wales The ultimate parent company is Laurel Pub Equity Holdings Limited (a company incorporated in Great Britain and registered in England and Wales) and the ultimate controlling party is The Tchenguiz Family Trust

The only group for which consolidated financial statements are prepared which include the company is that headed by Laurel Pub Equity Holdings Limited Consolidated financial statements for this company are available to the public and can be obtained from Porter Tun House, 500 Capability Green, Luton, Beds, LU1 3LS