

TRAGUS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

Registered number 04349917

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TRAGUS HOLDINGS LIMITED

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COMPANY INFORMATION

DIRECTORS:	G Turner M Mansigan J M Parsons
SECRETARY:	M Mansigan
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:	04349917

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 week period ended 30 May 2010. The comparatives are for the 52 week period ended 24 May 2009.

Principal activity

The principal activity of the company is to operate as a holding management company to a group of companies that operate restaurants.

Results and dividends

The profit after tax for the year amounted to £703,000 (2009: £1,588,000). The directors do not propose the payment of a dividend (2009: £nil).

Review of developments and future prospects

The company will continue to be a holding management company 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 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 Tragus Holdings 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 and up to the date of signing the financial statements were as follows:

M Mansigani (Chairman)
J M Parsons (Company Secretary)
G Turner

Employee involvement

The board recognises the importance of employees being fully informed of events which directly affect them and their working conditions and to this end regular meetings are held with them. Senior employees receive a bonus based upon business performance.

Employment of disabled persons

The policy of the company and its subsidiaries 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 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). 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.

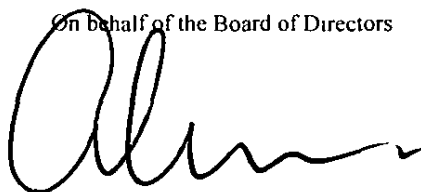
Auditors and disclosure of information to auditors

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.

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



G Turner
DIRECTOR

22 September 2010

1st Floor
163 Eversholt Street
LONDON
NW1 1BU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAGUS HOLDINGS LIMITED

We have audited the financial statements of Tragus Holdings Limited for the 53 week period ended 30 May 2010 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 Directors' Responsibilities Statement 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 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.

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 30 May 2010 and of its profit 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.

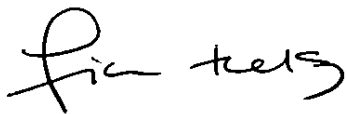
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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 (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London 28/9/2010

TRAGUS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

53 weeks ended 30 May 2010

	Note	53 weeks ended 30 May 2010 £'000	52 weeks ended 24 May 2009 £'000
TURNOVER		14,027	14,955
Administrative expenses		(12,976)	(13,667)
Exceptional items	3	<u>(375)</u>	<u>-</u>
OPERATING PROFIT	2	676	1,288
Interest receivable and similar income	5	<u>23</u>	<u>273</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		699	1,561
Taxation	6	<u>4</u>	<u>27</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>703</u>	<u>1,588</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 profit on ordinary activities before taxation and the profit for the period stated above and their historic cost equivalent

TRAGUS HOLDINGS LIMITED

Registered number: 04349917

BALANCE SHEET**As at 30 May 2010**

	Note	30 May 2010 £'000	24 May 2009 £'000
FIXED ASSETS			
Tangible assets	7	563	616
Investments	8	<u>37,285</u>	<u>37,285</u>
		37,848	37,901
CURRENT ASSETS			
Cash at bank and in hand		<u>11,214</u>	<u>16,861</u>
		11,214	16,861
CREDITORS - amounts falling due within one year	9	<u>(2,436)</u>	<u>(1,825)</u>
NET CURRENT ASSETS		<u>8,778</u>	<u>15,036</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		46,626	52,937
CREDITORS - amounts falling due after more than one year	10	(39,686)	(46,696)
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(101)</u>	<u>(105)</u>
NET ASSETS		<u>6,839</u>	<u>6,136</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,403	1 403
Share premium account	13	850	850
Profit and loss account	13	<u>4,586</u>	<u>3 883</u>
TOTAL SHAREHOLDERS' FUNDS	14	<u>6,839</u>	<u>6 136</u>

These financial statements on page 5 to 12 were approved by the Board of Directors and authorised for issue on 22 September 2010 and signed on its behalf by



M Mansigan
Director

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with Companies Act 2006 and United Kingdom Generally Accepted Accounting Practices (UK GAAP). The principle accounting policies adopted by the directors which have been consistently applied are described below.

Accounting convention

The financial statements are prepared on the going concern basis and under the historical cost convention.

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.
- 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.

Investments

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

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

Turnover

Turnover is the value of management fees recharged to other group companies, solely within the UK. Turnover is recognised upon the delivery of the services.

Leases

Rental payments in respect of operating leases 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.

Exceptionals

Costs incurred in the period which are classified as exceptional 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.

Pension costs

The group provides for employee pensions through a stakeholder pension scheme which is independently managed, and the company will continue to contribute to this fund in future accounting periods. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

Cash flow

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 Bidco Limited, which is publicly available. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from presenting a cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

2 OPERATING PROFIT

	53 weeks ended 30 May 2010 £'000	52 weeks ended 24 May 2009 £'000
Operating profit is stated after charging		
Depreciation of fixed assets (note 7)	53	101
Operating lease charges		
Land and buildings	466	365
Other operating leases	42	32
	<u>53 weeks ended 30 May 2010 £'000</u>	<u>52 weeks ended 24 May 2009 £'000</u>
Audit services		
Fees payable to company auditor	4	4
Non audit services		
Tax services	2	1

Fees for services provided by the company's auditor are borne by Tragus Holdings Limited a fellow subsidiary

3 EXCEPTIONAL ITEMS

	53 weeks ended 30 May 2010 £'000	52 weeks ended 24 May 2009 £'000
Reorganisation Costs	375	-

Reorganisation costs of £375,000 are in relation to professional fees incurred as a result of the management incentive scheme and associated restructure costs (2009 £nil)

4 STAFF COSTS

During the period ended 30 May 2010 the company employed the following average number of employees

	53 weeks ended 30 May 2010 Number	52 weeks ended 24 May 2009 Number
Administration	147	145

The aggregate payroll costs of these persons were as follows

	53 weeks ended 30 May 2010 £'000	52 weeks ended 24 May 2009 £'000
Wages and salaries	6,917	6,405
Social security costs	638	665
Other pension costs	133	122
	<u>7 688</u>	<u>7,192</u>

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

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	53 weeks ended 30 May 2010 £'000	52 weeks ended 24 May 2009 £'000
Bank Interest Receivable	23	273

6 TAXATION

	53 weeks ended 30 May 2010 £'000	52 weeks ended 24 May 2009 £'000
Current taxation on profits for the period		
UK Corporation Tax	-	-
Credit relating to prior period	-	-
Total current taxation	-	-
Deferred taxation credit (note 11)	(4)	(27)
Total deferred taxation and taxation credit	(4)	(27)

The tax assessed for the period is lower (2009 lower) than the standard rate of corporation tax in the UK. The differences are explained below.

Factors affecting the tax credit for the period

Profit before tax	699	1,561
Tax at current UK Corporation Tax rate of 28% (2009 28%)	196	437
Effect of		
Capital allowances in excess of depreciation	6	18
Expenses not deductible for tax purposes	119	12
Group relief	(321)	(467)
Current tax credit for the period	-	-

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

If it had been enacted at the balance sheet date, the effect of the changes enacted these would not have had a material effect on recognised or unrecognised deferred tax balances.

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

7 TANGIBLE ASSETS

	Leasehold improvements £'000	Furniture, fixtures & equipment £'000	Total £'000
<u>Cost</u>			
At 24 May 2009 and 30 May 2010	271	629	900
<u>Accumulated depreciation</u>			
At 24 May 2009	(98)	(186)	(284)
Charge for the period	(22)	(31)	(53)
At 30 May 2010	(120)	(217)	(337)
<u>Net book amount</u>			
At 30 May 2010	151	412	563
At 24 May 2009	173	443	616

8 INVESTMENTS

	30 May 2010 £'000
Cost and net book amount at 30 May 2010 and 24 May 2009	37,285

Investments comprise the company's investments in subsidiary undertakings. The principal undertakings in which the company's interest at the period end is more than 20% are as follows

Subsidiary undertaking	Activity	Country of registration and incorporation	% of ordinary shares held
Cafe Rouge Restaurants Limited *	Restaurateur	England and Wales	100%
Oriel Restaurants Limited	Restaurateur	England and Wales	100%
Cafe Rouge Limited	Dormant	England and Wales	100%
Handyminster Limited	Non-trading	England and Wales	100%
Heathgate Restaurants Limited	Restaurateur	England and Wales	98%
Ortega Bars Limited	Restaurateur	England and Wales	100%
Abbaye Restaurants Limited	Restaurateur	England and Wales	100%
Mamma Amalfi Restaurants Limited #	Restaurateur	England and Wales	100%
Huxleys Bar & Kitchen Limited	Restaurateur	England and Wales	100%
Bella Italia Group Limited *	Non-trading	England and Wales	100%
Bella Italia Restaurants Limited	Restaurateur	England and Wales	100%
Ortega Restaurants Limited	Restaurateur	England and Wales	100%
Novaside Limited	Dormant	Republic of Ireland	100%

* These subsidiaries are held directly by Tragus Holdings Limited. All other investments are held by subsidiary undertakings.

Preference and ordinary shares held

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its parent, Tragus Bidco Limited, a company registered in England and Wales.

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 May 2010 £'000	24 May 2009 £'000
Accruals and deferred income	<u>2,436</u>	<u>1,825</u>

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 May 2010 £'000	24 May 2009 £'000
Amounts owed to group undertakings	<u>39,686</u>	<u>46,696</u>

Amounts owed to group undertakings are interest free, unsecured and have no fixed repayment date. It is not expected that these amounts will be repaid in less than twelve months.

11 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Tax 30 May 2010 £'000
Opening balance	105
Credit for the period (note 6)	<u>(4)</u>
Closing balance	<u>101</u>

The amounts provided for deferred taxation and the amounts not provided are set out below

	Provided period ended 30 May 2010 £'000	Provided period ended 24 May 2009 £'000
Capital allowances in excess of depreciation	<u>101</u>	<u>105</u>

12 SHARE CAPITAL

	Authorised 30 May 2010 £'000	Authorised 24 May 2009 £'000
63,048,246 "A" ordinary shares of 2p each	1,261	1,261
222,950 "B" ordinary shares of 2p each	5	5
1,250,000 ordinary shares of 2p each	25	25
5,614,034 deferred shares of 2p each	<u>112</u>	<u>112</u>
	<u>1,403</u>	<u>1,403</u>
	<u>Called up, allotted and fully paid 30 May 2010 £'000</u>	<u>Called up, allotted and fully paid 24 May 2009 £'000</u>
63,048,246 "A" ordinary shares of 2p each	1,261	1,261
222,950 "B" ordinary shares of 2p each	5	5
1,250,000 ordinary shares of 2p each	25	25
5,614,034 deferred shares of 2p each	<u>112</u>	<u>112</u>
	<u>1,403</u>	<u>1,403</u>

All ordinary shares ("A" ordinary, "B" ordinary and ordinary) and deferred shares have no rights to dividends other than those recommended by directors, have no redemption rights and have one vote per share.

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 30 May 2010

13 STATEMENT OF MOVEMENTS ON RESERVES

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 24 May 2009	850	3,883	4,733
Profit retained for the period	-	703	703
At 30 May 2010	<u>850</u>	<u>4,586</u>	<u>5,436</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	30 May 2010 £'000	24 May 2009 £'000
Shareholders' funds at beginning of period	6,136	4,548
Profit for the period	<u>703</u>	<u>1,588</u>
Closing shareholders funds	<u>6,839</u>	<u>6,136</u>

15 LEASE COMMITMENTS

At the period end, the company was committed to making the following payments during the next year in respect of operating leases which expire

	<u>Land and buildings</u> 30 May 2010 £'000	<u>Other</u> 30 May 2010 £'000	<u>Land and buildings</u> 24 May 2009 £'000	<u>Other</u> 24 May 2009 £'000
Between one and two years	-	-	163	32
After five years	<u>75</u>	<u>-</u>	<u>88</u>	<u>-</u>
	<u>75</u>	<u>-</u>	<u>251</u>	<u>32</u>

16 PENSIONS COSTS

The company contributes to a stakeholder pension scheme for employees. The assets of the scheme are held separately from those of the company 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 £133,000 (2009: £122,000). There were outstanding contributions at the end of the financial period of £nil (2009: £nil).

17 RELATED PARTY TRANSACTIONS

The company 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 is Tragus Cayco Holdco 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 Holdco Limited.

