Nando's Chicken Limited

Directors' report and financial statements

Registered number 0166821
28 February 2016

WEDNESDAY
L5KTC84O
LD8 30/11/2016 #302
COMPANIES HOUSE

Contents

Directors' Report	1
Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditor's report to the members of Nando's Chicken Limited	3
Income Statement	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the financial statements	8

Directors' Report

The directors present their Directors' Report and the audited financial statements for the 53 week period ended 28 February 2016.

Principal activities

The principal activity of the company in the period under review was that of holding leases.

Review of business

The results for the period and financial position of the company are as shown on pages 4 and 5.

Dividends

The directors do not recommend the payment of a dividend. No dividend was paid in the prior year.

Directors

The directors who held office during the year were as follows:

R Papps
J Fowler
M Gardner

Political and charitable contributions

The company made no political or charitable contributions in the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each 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 auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

J Fowler
Director

29/11/16

St Mary's House
42 Vicarage Crescent Battersea
London
SW11 3LD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NANDO'S CHICKEN LIMITED

We have audited the financial statements of Nando's Chicken Limited for the 53 week period ended 28 February 2016 set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 28 February 2016 and of its results for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

James Childs-Clarke (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

KPMG LLP
Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
SO53 3TG

30 November 2016

Income Statement
for the 53 week period ended 28 February 2016

	Note	Period ended 28 February 2016	Period ended 22 February 2015
		£	£
Revenue		**523,927**	**525,539**
Cost of sales		-	-
Gross Profit		**523,927**	**525,539**
Administrative expenses		(518,470)	(531,161)
Operating Profit/ (Loss) on ordinary activities before taxation	*2*	**5,457**	**(5,622)**
Tax on profit/ (loss) on ordinary activities	*4*	(5,025)	(2,923)
Profit/ (Loss) for the financial period after taxation		**432**	**(8,545)**

All items within the Income Statement were derived from continuing operations.

The financial statements have been prepared on an unmodified historical basis and therefore, no note of historical cost profits and losses has been presented.

Notes on pages 8 to 13 form part of the financial statements.

Statement of Financial Position
at 28 February 2016

	Note	28 February 2016 £	22 February 2015 £
Non-Current Assets			
Property, plant and equipment	5	215,923	235,466
		215,923	235,466
Current Assets			
Trade and other receivables	6	59,540	69,547
Cash and cash equivalents		-	-
		59,540	69,547
Total Assets		**275,463**	**305,013**
Current Liabilities			
Trade and other payables	7	(225,053)	(260,060)
Tax payable		(11,301)	(6,276)
		(236,354)	(266,336)
Total Liabilities		**(236,354)**	**(266,336)**
Net Assets		**39,109**	**38,677**
Equity			
Share capital	9	300,000	300,000
Retained earnings		(260,891)	(261,323)
Total Equity		**39,109**	**38,677**

Notes on pages 8 to 13 form part of the financial statements.

These financial statements were approved by the board of directors on 24th NOVEMBER 2016 and were signed on its behalf by:

J Fowler
Director

Statement of Changes in Equity
for the period ended 28 February 2016

	Note	Share Capital £	Retained Earnings £	Total Equity £
Balance at 23 February 2014		300,000	(252,778)	47,222
Total Comprehensive Income for the Period				
Loss for the period		-	(8,545)	(8,545)
Balance at 22 February 2015		300,000	(261,323)	38,677
Total Comprehensive Income for the Period				
Loss for the period		-	432	432
Balance at 28 February 2016		**300,000**	**(260,891)**	**39,109**

The notes on pages 8 to 13 form an integral part of these financial statements.

Cash flow statement

for the 53 week period ended 28 February 2016

	Note	52 week period ended 28 February 2016 £	14 month period ended 22 February 2015 £
Cash flows from operating activities			
Profit for the year		432	(8,545)
Adjustments for:			
Taxation		5,025	2,923
Depreciation of property, plant and equipment		19,543	19,543
Cash generated from operating activities before		25,000	13,921
(Increase)/ decrease in trade and other receivables		10,007	(1,402)
Decrease in trade and other payables		(35,007)	(13,465)
Cash generated from operations		-	(946)
Tax paid		-	-
Net cash flows from operating activities		-	**(946)**
Net increase/(decrease) in cash and cash equivalents		-	(946)
Opening cash and cash equivalents		-	946
Closing cash and cash equivalents		-	-

Notes
(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The company financial statements have been prepared and approved by the directors on the historical cost basis and in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The Company's ultimate parent undertaking, Nando's Group Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Nando's Group Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from St Mary's House, 42 Vicarage Crescent, Battersea, London, SW11 3LD.

Going concern

The financial statements have been prepared on a going concern basis. The company is dependent on the financial support of its holding company. The Board of Directors of Nando's Chickenland Limited has agreed that it is the policy of Nando's Chickenland Limited, and its present intention, to provide financial support to the company to enable it to continue to trade for the foreseeable future and at least for 12 months from the date of the approval of the financial statements.

Non-derivative financial instruments
Non-derivative financial instruments comprise trade and other receivables and trade and other payables.

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Revenue

Revenue is the total amount of rent, excluding value added tax, receivable by the company in the ordinary course of business. All income is recognised at the point when service is provided.

Operating Lease Payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Notes
(forming part of the financial statements)

Upcoming IFRS standards
The following new standards have been issued by the IASB (International Accounting Standards Board), for accounting periods beginning on or after 1 July 2014:

- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
- Annual Improvements to IFRSs – 2010-2012 Cycle
- Annual Improvements to IFRSs – 2011-2013 Cycle

Their adoption did not have a material effect on the financial statements.

The following new standards have been issued by the IASB (International Accounting Standards Board) but have not been applied by the Group in these financial statements as they are not yet effective or are not yet adopted by the EU.

Standard - effective for annual periods beginning on or after 1 January 2016	**EU Endorsement**
IFRS 14 Regulatory Deferral Accounts	Not yet endorsed. IASB effective date 1 January 2016.
Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11	Endorsed (24 November 2015). IASB effective date 1 January 2016.
Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38.	Endorsed (2 December 2015). IASB effective date 1 January 2016.
Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41	Endorsed (23 November 2015). IASB effective date 1 January 2016.
Equity Method in Separate Financial Statements – Amendments to IAS 27	Endorsed (18 December 2015). IASB effective date 1 January 2016.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Not yet endorsed. IASB effective date tbc.
Annual Improvements to IFRSs – 2012-2014 Cycle	Endorsed (15 December 2015). IASB effective date tbc.
Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28	Not yet endorsed. IASB effective date 1 January 2016.
Disclosure Initiative – Amendments to IAS 1	Endorsed (18 December 2015). IASB effective date 1 January 2016.

Standard - effective for annual periods beginning on or after 1 January 2017	**EU Endorsement**
Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	Not yet endorsed. IASB effective date 1 January 2017.
Disclosure Initiative – Amendments to IAS 7	Not yet endorsed. IASB effective date 1 January 2017.

Standard - effective for annual periods beginning on or after 1 January 2018	**EU Endorsement**
IFRS 9 Financial Instruments	Not yet endorsed. IASB effective date 1 January 2017.
IFRS 15 Revenue from Contracts with Customers	Not yet endorsed. IASB effective date 1 January 2018.
Effective date of IFRS 15 – amendment to IFRS 15	Not yet endorsed. IASB effective date 1 January 2018.

Standard - effective for annual periods beginning on or after 1 January 2019	**EU Endorsement**
IFRS 16 Leases	Not yet endorsed. IASB effective date 1 January 2019

Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

Notes *(continued)*

2. Loss on ordinary activities before taxation

	Period ended 28 February 2016 £	Period ended 22 February 2015 £
Operating loss on ordinary activities before taxation is stated after charging:		
Auditor's remuneration	3,500	3,500
Depreciation	19,543	19,543

3. Directors and Employees

The audit fee of the company is to be £3,400 (*2015: £3,400*). The fee has been paid on behalf of the company by Nando's Chickenland Limited, the 100% shareholder of Nando's Chicken Limited.

The directors were remunerated for their services by the parent company.

4. Taxation

	22 February 2016 £	22 February 2015 £
Analysis of charge in period:		
Current tax expense		
Current tax on income for the period	5,025	2,923
Tax on profit on ordinary activities	5,025	2,923
Current tax reconciliation		
Loss on ordinary activities before taxation	5,457	(5,622)
Current tax at 20.1% *(2015: 21.2%)*	1,097	(1,181)
Effects of:		
Depreciation in excess of capital allowances	3,928	4,104
Expenses not deductible for tax purposes	-	-
Total tax charge (see above)	5,025	2,923

Reductions in the UK corporation tax rate 23% to 21% (effective 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future tax charge accordingly

Notes *(continued)*

5. Property, plant and equipment

	Short Leasehold property £	Total £
Cost		
At beginning of prior period	669,453	669,453
Additions	-	-
At end of prior period	669,453	669,453
Depreciation		
At beginning of prior period	414,444	414,444
Charge for prior period	19,543	19,543
At end of prior period	433,987	433,987
Net book value at		
22 February 2015	235,466	235,466
Cost		
At beginning of period	669,453	669,453
Additions	-	-
At end of period	669,453	669,453
Depreciation		
At beginning of period	433,987	433,987
Charge for period	19,543	19,543
At end of period	453,530	453,530
Net book value at		
28 February 2016	**215,923**	**215,923**

Impairment Review

The company considers each restaurant to be a CGU and each CGU is reviewed annually for indicators of impairment.

In assessing whether an asset has any indicators of impairment, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value, less costs of disposal and its value in use. In the absence of any information about the fair value of a CGU, the recoverable amount is deemed to be its value in use.

The company estimates value in use by calculating the payback period for each CGU based on its carrying amount and the returns generated during the current year. Should this payback period be sufficiently short, the CGU's carrying value is deemed justified.

Any CGUs not generating sufficient returns are then subject to a discounted cash flow projection to evaluate their value in use.

All CGUs generated adequate returns to satisfy the above conditions so there were no indicators of impairment, which would lead to a full impairment review.

6. Trade and other receivables	**2016** £	**2015** £
Other receivables (rent deposits)	27,395	27,395
Prepayments and accrued income	32,145	42,152
	59,540	69,547

Notes *(continued)*

7. Trade and other payables

	2016	2015
	£	£
Amounts owed to group undertakings	183,082	208,082
Accruals and deferred income	41,971	51,978
	225,053	260,060

8. Lease commitments

	Land and Buildings	
	2016	2015
	£	£
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	397,007	473,007
Between one and five years	1,428,355	1,530,250
More than five years	638,310	893,242
	2,463,672	2,896,499

Leases as lessor

The future minimum lease payments under non-cancellable leases are as follows:	Less than one year	422,007	498,007
	Between one and five years	1,528,355	1,630,250
	More than five years	990,228	1,270,571
		2,940,590	3,398,828

9. Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
Equity: 300,000 ordinary shares of £1 each	300,000	300,000

10. Related parties

The company holds the lease for a number of properties, from which the parent undertaking operates a restaurant. The outstanding balances at the end of the period can be found in note 7, and the rental income is shown in the income statement.

11. Financial risk management objectives and policies

Given the size and nature of the company, there are no significant risks to note.

12. Ultimate parent company

The Company's immediate parent undertaking and controlling party is Nando's Chickenland Limited. The largest group in which the results of the company are consolidated is that headed by Nando's Group Holdings Limited, that owns 95% of the share capital of Nando's Chicken Limited, and is incorporated in England. No other group financial statements include the results of the company. The consolidated financial statements of the group are available to the public and may be obtained from St Mary's House, 42 Vicarage Crescent, Battersea, London, SW11 3LD.

The ultimate controlling party of the company is L Perlman SECS, incorporated in Luxembourg and conducting business from 4 Boulevard de la Foire, L-1528, Luxembourg. No consolidated accounts of this group are available.