

Company No: 166821

NANDO'S CHICKEN LIMITED

REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 2006

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COMPANIES HOUSE

Nando's Chicken Limited

Directors

Mr. R.A. 't Hooft
Mr. C.F. Luyckx

Secretary and Registered Office

Mr. C.F. Luyckx
42 Vicarage Crescent, London, SW11 3LB

Auditors

Moore Stephens LLP
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4M 7BP

Report of the Directors

The directors have pleasure in presenting their report and audited financial statements for the year ended 31st December 2006.

Activities and Business Review

The company's premises are leased to a related company for the operation of a "flame grilled chicken concept" within the quick service sector of the restaurant industry.

Results and Dividends

The profit for the financial year after taxation amounted to £5,471 (2005: loss £147,911) and has been added to reserves. The directors do not recommend the payment of a dividend for the year (2006: £Nil).

Directors' Confirmation

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Basis of Preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



By Order of the Board

Mr C.F. Luyckx

Director

Nando's Chicken Limited

**Statement of Directors' Responsibilities
For the year ended 31st December 2006**

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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 Shareholders of Nando's Chicken Limited

We have audited the financial statements of Nando's Chicken Limited for the year ended 31st December 2006 which are set out pages 4 to 9. These financial statements have been prepared under 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 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 auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

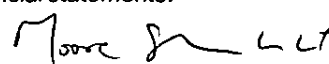
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2006 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.

St Paul's House
Warwick Lane
LONDON EC4M 7BP

3 July 2008


Moore Stephens LLP
Registered Auditors
Chartered Accountants

Nando's Chicken Limited

Profit and Loss Account
For the year ended 31st December 2006

| | <u>Note</u> | <u>2006</u> | <u>2005</u> |
|---|-------------|-------------|-------------|
| Turnover | 1(b) | 516,586 | 674,652 |
| Administrative expenses | | (507,945) | (808,978) |
| Operating Profit/(Loss) | 2 | 8,611 | (134,326) |
| Interest payable and similar charges | 4 | - | (13,585) |
| Profit/(Loss) on Ordinary Activities before Taxation | | 8,641 | (147,911) |
| Taxation on result on ordinary activities | 5 | (3,170) | - |
| Profit/(Loss) for the Financial Year | | £ 5,471 | £ (147,911) |

Summary of Accumulated Profits

| | | | |
|--------------------------------------|---|--------|-----------|
| At 1st January 2006 | | 14,189 | 162,100 |
| Profit/(loss) for the financial year | | 5,471 | (147,911) |
| At 31st December 2006 | £ | 19,660 | £ 14,189 |

There are no recognised gains or losses other than those included in the profit and loss account.

The results for the year relate to continuing activities.


Nando's Chicken Limited

Balance Sheet - 31st December 2006

| | <u>Note</u> | <u>2006</u> | <u>2005</u> |
|---|-------------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 6 | 438,330 | 443,620 |
| Current Assets | | | |
| Debtors | 7 | 391,241 | 432,545 |
| Cash at bank | | 228 | 100,838 |
| | | <u>391,469</u> | <u>533,383</u> |
| Creditors, amounts falling due within one year | 8 | <u>(510,139)</u> | <u>(662,814)</u> |
| Net Current Liabilities | | <u>(118,670)</u> | <u>(129,431)</u> |
| Net Assets | | <u>£ 319,660</u> | <u>£ 314,189</u> |
| Capital and Reserves | | | |
| Called up share capital | 9 | 300,000 | 300,000 |
| Profit and loss account | | 19,660 | 14,189 |
| Shareholder's Funds | 10 | <u>£ 319,660</u> | <u>£ 314,189</u> |

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

The financial statements were approved by the Board on 13.05.2007
and signed on its behalf by


C.F. LUYCKX Director

Nando's Chicken Limited**Financial Statements
For the year ended 31st December 2006****Notes****1. Principal Accounting Policies****(a) Basis of accounting**

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

(b) Turnover

Turnover consists of gross rental income from properties together with sales and services in the ordinary course of business, excluding sales of investment properties.

(c) Fixed assets and depreciation

Freehold property is not depreciated as it is the company's policy to maintain these buildings to a high standard and, because of this, such properties are expected to maintain residual disposal values in aggregate at least equal to their book values. The company's appraisal of residual values is based on prices prevailing at the time of acquisition or subsequent valuation of the property in question. Short leasehold properties are depreciated over the term of the lease.

(d) Current and deferred taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided on timing differences that have originated but not reversed by the balance sheet date on a non-discounted basis. Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which future reversals of the underlying timing differences can be deducted.

No provision is made where the amounts involved are not material.

(e) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling on the balance sheet date. Any resultant gains or losses on exchange are dealt with through the profit and loss account in the period in which they arise.

(f) Leased assets

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Nando's Chicken Limited

Financial Statements
For the year ended 31st December 2006

Notes (Continued)

2. Operating Profit/(Loss)

The operating profit/(loss) is stated after charging:

| | <u>2006</u> | <u>2005</u> |
|------------------------|-------------------|-------------------|
| Directors' emoluments | - | - |
| Auditors' remuneration | 4,000 | 3,500 |
| Depreciation | 5,290 | 39,929 |
| | <u> </u> | <u> </u> |

3. Directors and Employees

The only employees during the year were the two directors (2005: 2). Staff costs during the year were £Nil (2005: £Nil).

4. Interest payable and similar charges

| | <u>2006</u> | <u>2005</u> |
|---------------------------------------|-------------------|-------------------|
| Bank interest on loans and overdrafts | - | 13,585 |
| | <u> </u> | <u> </u> |
| | £ - | £ 13,585 |
| | <u> </u> | <u> </u> |

5. Taxation on Ordinary Activities

| | <u>2006</u> | <u>2005</u> |
|-------------------------------------|-------------------|-------------------|
| (a) Analysis of current tax charge: | | |
| United Kingdom corporation tax | 3,170 | - |
| | <u> </u> | <u> </u> |
| Current tax charge | £ 3,170 | £ - |
| | <u> </u> | <u> </u> |

(b) Factors affecting current tax charge for the year:

| | <u>2006</u> | <u>2005</u> |
|---|-------------------|-------------------|
| | £ | £ |
| Profit/(loss) on ordinary activities before tax | | |
| at 30% | 2,592 | (44,373) |
| Effect of: | | |
| Expenses not allowed for tax | - | 30,000 |
| Depreciation in excess of capital allowances | 1,377 | 11,978 |
| Losses carried forward | - | 2,395 |
| Utilisation of tax losses | (799) | - |
| | <u> </u> | <u> </u> |
| Current tax charge | £ 3,170 | £ - |
| | <u> </u> | <u> </u> |

Expenditure incurred in the prior year and amounting to £100,000 may be available for offset against any capital gains made by the company in future years.

Nando's Chicken Limited
Financial Statements
For the year ended 31st December 2006

Notes (Continued)

6. Tangible Fixed Assets

| | <u>Short Leasehold Property</u> |
|--------------------------|---|
| Cost | |
| At 1st January 2006 | 749,717 |
| Disposals | (70,039) |
| As at 31st December 2006 | £ 679,676 |
| Depreciation | |
| At 1st January 2006 | 306,097 |
| Charge for the year | 5,290 |
| Disposals | (70,039) |
| At 31st December 2006 | £ 241,348 |
| Net book value | |
| At 31st December 2006 | £ 438,330 |
| At 31st December 2005 | £ 443,620 |

7. Debtors

| | <u>2006</u> | <u>2005</u> |
|--------------------------------|-------------|-------------|
| Amount owed by group company | 215,225 | 215,225 |
| Other debtors (rent deposits) | 27,395 | 27,395 |
| Prepayments and accrued income | 148,621 | 161,786 |
| VAT recoverable | - | 5,744 |
| Corporation tax recoverable | - | 22,395 |
| | £ 391,241 | £ 432,545 |

The amount of £215,225 (2005: £215,225) is due from Nando's Chickenland Limited and is interest free.

8. Creditors: amounts falling due within one year

| | <u>2006</u> | <u>2005</u> |
|-------------------------------|-------------|-------------|
| Amounts owed to group company | 423,958 | 499,539 |
| Other creditors | 33,429 | 133,430 |
| Accruals and deferred income | 49,582 | 29,845 |
| Corporation tax | 3,170 | - |
| | £ 510,139 | £ 662,814 |

An amount of 323,958 due to Nando's Chickenland Limited is interest free and will only be repaid when the company's circumstances permit. A further amount of £100,000 is due to IVM Intersurer BV on identical terms.

Nando's Chicken Limited**Financial Statements
For the year ended 31st December 2006****Notes (Continued)****9. Share Capital**

| | <u>2006</u> | <u>2005</u> |
|--|-------------|-------------|
| Authorised, allotted, called up and fully paid 300,000 ordinary shares of £1 each | £ 300,000 | £ 300,000 |

10. Reconciliation of Movements in Shareholders' Funds

| | <u>2006</u> | <u>2005</u> |
|-----------------------------|-------------|-------------|
| Opening shareholder's funds | 314,189 | 462,100 |
| (Loss) for the year | 5,471 | (147,911) |
| Closing shareholder's funds | £ 319,660 | £ 314,189 |

11. Related Party Transactions

The company derived its income for the year from Nando's Chickenland Limited a company under common control.

12. Ultimate Holding and Parent Company

The Directors consider that the ultimate parent company is Tarofax Investments S.A. which is incorporated in Panama. The immediate parent company is IVM Intersurer B.V. incorporated in the Netherlands.