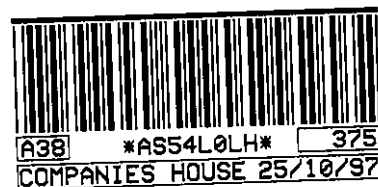


**NANDO'S CHICKEN LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31st DECEMBER 1996**

**COMPANY NO : 00166821**



**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  
Chartered Accountants  
St. Paul's House, Warwick Lane, London, EC4P 4BN

**Report of the Directors**

The directors have pleasure in presenting their report and audited financial statements for the year ended 31st December 1996.

**Activities and Business Review**

The company's premises are leased to an associate company for the operation of a "flame grilled chicken concept" within the quick service sector of the restaurant industry. On 28th February 1997 the company acquired a 34 year leasehold over restaurant premises in Ealing Common.

The directors are evaluating a number of further property acquisitions for the next financial year.

**Results and Dividends**

The loss for the financial year after taxation amounted to £8,484 which has been debited to reserves. The directors do not recommend the payment of a dividend for the year.

**Fixed Assets**

Movements in fixed assets are set out in note 6.

**Directors**

Mr. P.R. Enthoven resigned on 31st January 1996

Mr. R.A. 't Hooft retires by rotation, but being eligible represents himself for appointment.

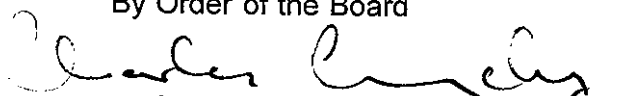
**Nando's Chicken Limited**

**Report of the Directors (Continued)**

**Directors' Interests**

None of the Directors had any interest as defined by the Companies Act 1985 in the share capital of the company at any time during the year.

By Order of the Board

A handwritten signature in black ink, appearing to read 'C.F. Luyckx', written over the printed name.

Mr C.F. Luyckx

Secretary

**Nando's Chicken Limited****Statement of Directors' Responsibilities  
For the year ended 31st December 1996**

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.

**Report of the Auditors to the Members of  
Nando's Chicken Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective Responsibilities of Directors and Auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,  
London, EC4P 4BN

17th October 1997

*Moore Stephens*

MOORE STEPHENS

Chartered Accountants  
Registered Auditor

**Nando's Chicken Limited**

**Profit and Loss Account**  
**For the year ended 31st December 1996**

	<u>Note</u>	<u>1996</u>	<u>1995</u>
<b>Turnover</b>	1(b)	173,596	53,222
Operating costs:			
Administrative expenses		179,911	56,321
Operating loss	2	(6,315)	(3,099)
Interest payable and similar charges	4	280	111
<b>Loss on Ordinary Activities before Taxation</b>		(6,595)	(3,210)
Tax on profit on ordinary activities	5	1,889	-
<b>Loss for the Financial Year</b>		£ (8,484)	£ (3,210)

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

**Summary of Retained Profits**

At 1st January 1996	71,068	74,278
Loss for the financial year	(8,484)	(3,210)
At 31st December 1996	£ 62,584	£ 71,068

## Nando's Chicken Limited

## Balance Sheet - 31st December 1996

	Note	1996	1995
<b>Fixed Assets</b>			
Tangible assets	6	1,192,180	1,127,228
<b>Current Assets</b>			
Debtors	7	441,913	397,001
Cash at bank and in hand		23,521	52,857
		<u>465,434</u>	<u>449,858</u>
Creditors, amounts falling due within one year	8	59,397	42,196
		<u></u>	<u></u>
<b>Net Current Assets</b>		<u>406,037</u>	<u>407,662</u>
<b>Total Assets Less Current Liabilities</b>		<u>1,598,217</u>	<u>1,534,890</u>
Creditors, amounts falling due after more than one year	9	1,235,633	1,163,822
		<u></u>	<u></u>
<b>Net Assets</b>		<u>£ 362,584</u>	<u>£ 371,068</u>
<b>Capital and Reserves</b>			
Called up equity share capital	10	300,000	300,000
Profit and loss account		62,584	71,068
		<u></u>	<u></u>
<b>Equity Shareholders' Funds</b>		<u>£ 362,584</u>	<u>£ 371,068</u>

These financial statements were approved by Board on 16<sup>th</sup> October 1997

R.A.'t Hooft )

C.F. Luyckx )

Directors




**Nando's Chicken Limited****Financial Statements  
For the year ended 31st December 1996****Notes****1. Principal Accounting Policies****(a) Basis of accounting**

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

**(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 and long leasehold land is not depreciated. No depreciation is provided on the company's freehold and long leasehold buildings 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) Deferred taxation**

Provision is made by the liability method for all material timing differences which are expected to be reversed in the foreseeable future.

**(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.

**(g) Investment income**

Interest receivable on bank accounts is included in the financial statements on an accruals basis.



**Nando's Chicken Limited**

**Financial Statements**  
**For the year ended 31st December 1996**

**Notes (Continued)****2. Operating Loss**

	<u>1996</u>	<u>1995</u>
	£	£
Operating loss is stated after charging:		
Auditors' remuneration		
- audit fee	2,000	2,000
- other	1,416	2,496
Depreciation	8,601	8,345
Staff costs (note 3)	-	-
	<u>          </u>	<u>          </u>

**3. Directors and Employees**

The only employees during the year were the two directors (1995: 3). Staff costs during the year were £Nil (1995: £Nil).

**4. Interest Payable and Similar Charges**

	<u>1996</u>	<u>1995</u>
	£	£
Bank charges and interest	280	111
	<u>          </u>	<u>          </u>

**5. Taxation on Ordinary Activities**

	<u>1996</u>	<u>1995</u>
United Kingdom corporation tax based on the results for the year as adjusted for taxation purposes	489	-
Underprovision in prior year	1,400	-
	<u>          </u>	<u>          </u>
	£ 1,889	£ -
	<u>          </u>	<u>          </u>

## Nando's Chicken Limited

**Financial Statements**  
**For the year ended 31st December 1996**

**Notes (Continued)**

**6. Tangible Fixed Assets**

	<u>Freehold Property</u>	<u>Short Leasehold Property</u>	<u>Total</u>
Cost			
At 1st January 1996	989,402	146,171	1,135,573
Additions in year	73,553	-	73,553
	<hr/>	<hr/>	<hr/>
At 31st December 1996	1,062,955	146,171	1,209,126
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st January 1996	-	8,345	8,345
Charge for the year	-	8,601	8,601
	<hr/>	<hr/>	<hr/>
At 31st December 1996	-	16,946	16,946
	<hr/>	<hr/>	<hr/>
Net book value			
At 31st December 1996	£ 1,062,955	£ 129,225	£ 1,192,180
	<hr/>	<hr/>	<hr/>
At 31st December 1995	£ 989,402	£ 137,826	£ 1,127,228
	<hr/>	<hr/>	<hr/>

**7. Debtors**

	<u>1996</u>	<u>1995</u>
Amounts owed by group companies	366,527	386,527
Prepayments and accrued income	75,386	10,474
	<hr/>	<hr/>
	£ 441,913	£ 397,001
	<hr/>	<hr/>

**Nando's Chicken Limited****Financial Statements  
For the year ended 31st December 1996****Notes (Continued)****8. Creditors, amounts falling due within one year**

	<u>1996</u>	<u>1995</u>
Other creditors	53,680	38,880
Corporation tax	1,889	-
Accruals and deferred income	3,828	3,316
	<hr/>	<hr/>
£	59,397	£ 42,196
	<hr/>	<hr/>

**9. Creditors, amounts falling due after more than one year**

	<u>1996</u>	<u>1995</u>
Amounts owed to group companies	£ 1,235,633	£ 1,163,822
	<hr/>	<hr/>

There is no fixed date for repayment but assurances have been made by the creditors that repayment is not sought until the financial position of the company permits.

**10. Equity Share Capital**

	<u>1996</u>	<u>1995</u>
Authorised, allotted, called up and fully paid 300,000 Ordinary shares of £1 each	£ 300,000	£ 300,000
	<hr/>	<hr/>

**Nando's Chicken Limited**

**Financial Statements**  
**For the year ended 31st December 1996**

**Notes (Continued)****11. Operating Lease Commitments**

The company has the following annual commitments under non-cancellable operating leases in respect of properties which expire:

	<u>1996</u>	<u>1995</u>
Within one year	-	-
Between two and five years	-	-
After five years	166,500	126,500
	<hr/>	<hr/>
	£ 166,500	£ 126,500
	<hr/>	<hr/>

**12. Ultimate Holding and Parent Company**

In the opinion of the Directors, the ultimate holding company at 31st December 1996 is Intersurer N.V. incorporated in the Netherlands Antilles. The immediate parent company is IVM Intersurer B.V. incorporated in the Netherlands.

**13. Related Party Transactions**

In the opinion of the directors, the company qualifies for, and has therefore taken advantage of, exemptions available under paragraph 3(C) of the Financial Reporting Standard 8 in respect of related party disclosures.