

# GOURMET BURGER KITCHEN LIMITED

## REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
27 March 2011



# Gourmet Burger Kitchen Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

RAG 'T Hooft  
CF Luyckx  
AD Murdoch  
D Sykes  
NCW Wong

### SECRETARY

NCW Wong

### REGISTERED OFFICE

Suite C  
1 Lindsey Street  
London  
EC1A 9HP

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# Gourmet Burger Kitchen Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Gourmet Burger Kitchen Limited for the year ended 27 March 2011

### **Principal activities**

The principal activity of the company during the year was that of operating gourmet burger restaurants

### **Review of the business and future developments**

The results for the year ended 27 March 2011 are set out in the company profit and loss account on page 7

Turnover increased 0.7% to £37,579,000 (2010: £37,322,000). The company achieved full year profit before restaurant opening costs, cost of fundamental reorganisation and interest of £2,544,000 (2010: £4,181,000).

During the year, the company opened 4 (2010: 2) new restaurants taking the total number of restaurants operated by the company as at 27 March 2011 to 54. The company will open further restaurants over the coming years.

### **Dividends**

No dividends were declared in the year (2010: £Nil).

### **Principal risks and uncertainties**

The Directors consider the following to be the principal risks faced by the company:

#### *Development programme*

The company's development programme is dependent on securing the requisite number of new properties. The prime, high footfall restaurant property market is competitive. To mitigate these issues, the company has an experienced property team concentrating on securing new sites for the company.

#### *Supply chain*

The company focuses on the freshness and quality of the produce used in its restaurants. It is exposed to potential supply chain disruptions due to the delay or losses of inventory in transit. The company mitigates this risk through effective supplier selection and an appropriate back-up supply chain.

#### *Employees*

The company's performance depends largely on its brand management team and its local managers and staff. The inability to recruit people with the right experience and skills could adversely affect the company's results. To mitigate these issues, the company has implemented a number of schemes designed to retain key individuals.

Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them.

# Gourmet Burger Kitchen Limited

## DIRECTORS' REPORT

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### Financial risk management

The board of directors regularly reviews the financial requirements of the company and the risks associated therewith. The company does not use complicated financial instruments, and where financial instruments are used it is for reducing interest rate risk. The company does not trade in financial instruments. Company operations are primarily financed from retained earnings, loans from its parent undertaking and bank borrowings (including overdraft facilities). In addition to the primary financial instruments, the company also has other financial instruments such as debtors, prepayments, trade creditors and accruals that arise directly from the company's operations.

### Key performance indicators

Turnover increased 0.7% to £37,579,000 (2010: £37,322,000). The company achieved full year profit before restaurant opening costs, cost of fundamental reorganisation and interest of £2,544,000 (2010: £4,181,000).

### Directors

The following directors have held office since 29 March 2010:

RAG 'T Hooft	(appointed 27 October 2010)
CF Luyckx	(appointed 27 October 2010)
AD Murdoch	(appointed 17 November 2010)
DM Page	(resigned 27 October 2010)
PA Campbell	(resigned 27 October 2010)
N Mankarious	(resigned 8 April 2011)
D Sykes	
NCW Wong	

### Directors' liability insurance and indemnity

The company has arranged insurance cover in respect of legal action against its Directors. To the extent permitted by UK law, the company also indemnifies the Directors.

### Employment policy

The company's policies respect the individual regardless of gender, age, race or religion. Where reasonable and practical under the existing legislation, all persons, including disabled persons, have been treated fairly and consistently, including matters relating to employment, training and career development.

The company takes a positive view of employee communication and has established systems for employee consultation and communication of developments. The company operates employee share schemes and a number of profit-related pay schemes as a means of further encouraging the involvement of employees in the company's performance.

### Supplier payment policy

The company's policy is that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. The company does not follow a standard code for dealing specifically with the payments of creditors. At 27 March 2011, the company had an average of 30 days (2010: 28 days) purchases outstanding in trade creditors.

# Gourmet Burger Kitchen Limited

## DIRECTORS' REPORT

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### Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Going concern

After making reasonable enquiries, the Board consider that the company has adequate resources and facilities to continue in operational existence for the foreseeable future and therefore the financial statements are prepared on a going concern basis.

### Auditor

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board



**N C W Wong**  
Company Secretary  
12 July 2010

# Gourmet Burger Kitchen Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOURMET BURGER KITCHEN LIMITED

We have audited the financial statements on pages 7 to 24

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)

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 auditors**

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 27 March 2011 and of its loss for the year 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

*Mark Tilly UK Audit LLP*

Mark Harwood (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

12 July 2011

# Gourmet Burger Kitchen Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 27 March 2011

	Notes	Year ended 27 March 2011	Year ended 28 March 2010
		£'000	£'000
<b>TURNOVER</b>	1	37,579	37,322
Cost of sales		(21,844)	(21,032)
<b>Gross profit</b>		<u>15,735</u>	<u>16,290</u>
Administrative expenses	2	(13,191)	(12,109)
<b>Profit before restaurant opening costs, cost of fundamental reorganisation and interest</b>		<u>2,544</u>	<u>4,181</u>
Restaurant opening costs	3	(142)	(224)
<b>Operating profit</b>	4	<u>2,402</u>	<u>3,957</u>
Cost of fundamental reorganisation	5	(618)	(76)
Loss on disposal		(80)	-
Impairment of tangible fixed assets	6	(6,428)	-
<b>(Loss)/profit on ordinary activities before interest</b>		<u>(4,724)</u>	<u>3,881</u>
Investment income	7	18	2
Interest payable	8	(924)	(1,000)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(5,630)</u>	<u>2,883</u>
Taxation	10	214	(422)
<b>(Loss)/profit for the year</b>	22	<u>(5,416)</u>	<u>2,461</u>

The operating profit for the year arises from the company's continuing operations. The loss for the year represents the company's historical cost profit.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.



# Gourmet Burger Kitchen Limited

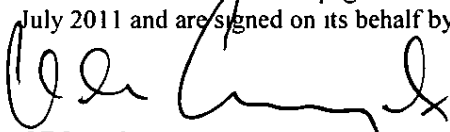
## BALANCE SHEET

27 March 2011

Company registration number 3970045

	Notes	27 March 2011 £'000	28 March 2010 £'000
<b>Fixed assets</b>			
Intangible assets	11	111	99
Tangible assets	12	25,388	30,034
Investments	13	64	63
		<u>25,563</u>	<u>30,196</u>
<b>Current assets</b>			
Stocks	14	761	736
Debtors	15	2,757	1,771
Cash at bank and in hand		317	318
		<u>3,835</u>	<u>2,825</u>
<b>Creditors: amounts falling due within one year</b>	16	(8,782)	(6,727)
<b>Net current liabilities</b>		<u>(4,947)</u>	<u>(3,902)</u>
<b>Total assets less current liabilities</b>		<u>20,616</u>	<u>26,294</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(12,888)	(13,532)
Provisions for liabilities	18	(923)	(923)
<b>Net assets</b>		<u>6,805</u>	<u>11,839</u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Share premium	20	174	174
Capital contribution reserve	21	1,197	815
Profit and loss account	22	5,433	10,849
<b>Equity shareholders' funds</b>	23	<u>6,805</u>	<u>11,839</u>

The financial statements on pages 7 to 24 were approved by the board of directors and authorised for issue on 12 July 2011 and are signed on its behalf by



CF Luyckx  
Director

# Gourmet Burger Kitchen Limited

## CASH FLOW STATEMENT

For the year ended 27 March 2011

	<i>Notes</i>	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
Net cash flow from operating activities	25A	6,241	6,782
Returns on investments and servicing of finance	25B	(906)	(998)
Taxation		-	(613)
Capital expenditure and financial investment	25B	(4,465)	(2,592)
Cash inflow before use of liquid resources and financing		790	2,579
Financing	25B	(644)	(2,887)
<b>Increase/(decrease) in cash in the year</b>		<b>146</b>	<b>(308)</b>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<i>Notes</i>	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
Increase/(decrease) in cash in the year		146	(308)
Cash outflow from change in debt		644	2,887
Movement in net debt in the year		790	2,579
Net debt at the beginning of the year		(13,397)	(15,976)
<b>Net debt at end of the year</b>	25C	<b>(12,607)</b>	<b>(13,397)</b>

# Gourmet Burger Kitchen Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006, as it is a subsidiary undertaking of Nando's Group Holdings Limited, a company incorporated in England and Wales and is included in the consolidated accounts of that company

### CASH FLOW STATEMENT

The company has taken the exemption in Financial Reporting Standard 1 for subsidiary undertakings where 90 per cent or more of the voting rights are controlled within the group and has not prepared a cash flow statement

### GOING CONCERN

The financial statements have been prepared on a going concern basis. After making appropriate enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements. The principal risks and uncertainties facing the Group are set out in the Directors' Report on pages 2 and 3.

### TURNOVER RECOGNITION

Turnover represents the fair value of consideration received or receivable, net of Value Added Tax, of goods sold and services provided to customers after deducting discounts. Turnover is recognised when significant risks and rewards of ownership are transferred.

### INTANGIBLE FIXED ASSETS

Intangible fixed assets which mainly comprise trademarks and licences are stated at historical cost less amortisation. Amortisation is provided in order to write off each asset over its estimated useful life at a rate of 5% to 10% straight line.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Leasehold properties and improvements	over lease term or renewal term
Plant and equipment	20% to 33% straight line
Furniture, fixtures and fittings	10% straight line
Motor Vehicles	20% straight line

Depreciation is charged from the date when the asset is brought into use.

### IMPAIRMENT

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

# Gourmet Burger Kitchen Limited

## ACCOUNTING POLICIES

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### INVESTMENTS

Long term investments in subsidiary undertakings and other long term investments are classified as fixed assets and stated at cost in the company's balance sheet

Provision is made for any impairment in the value of fixed asset investments

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### PENSIONS

The amount charged to the profit and loss account in respect of pension costs is the contributions payable to money purchase schemes in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### GOVERNMENT GRANTS

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that do not give rights approximating to ownership the leases are defined as "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the period to first rent review.

### PROVISIONS

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable the company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

# Gourmet Burger Kitchen Limited

## ACCOUNTING POLICIES

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### SHARE BASED PAYMENTS

The company has applied the optional transitional exemptions in FRS 20 Share-based Payment and implemented its requirements for grants of equity instruments made after 7 November 2002

GBK Restaurants Limited issued equity-settled share based payments to certain employees involved in the operations of Gourmet Burger Kitchen Limited. The fair value of share-based payments is determined at the date of the grant and expensed with a corresponding increase in equity on a straight-line basis over the vesting period, based on the estimate of the shares that will eventually vest, in accordance with the UITF 44 'Group and Treasury Share Transactions'. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, save for changes resulting from any market-related performance conditions.

The fair value of share-based payments granted in the form of options is measured by the use of the Black-Scholes valuation technique, adjusted for future dividend receipts and for any market-related performance conditions.

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 March 2011

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity which is carried on entirely within the United Kingdom. The Directors consider that there is only one class of business.

### 2 ADMINISTRATIVE EXPENSES

	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
Administrative expenses	13,671	12,187
Compensation receivable for loss of trade	(400)	-
Rent receivable	(80)	(78)
	<u>13,191</u>	<u>12,109</u>

### 3 RESTAURANT OPENING COSTS

The restaurant opening costs represent costs incurred up to the date of opening a new restaurant that are written off to the profit and loss account in the period in which they are incurred.

### 4 OPERATING PROFIT

	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
Operating profit is stated after charging		
Depreciation, amortisation and amounts written off		
- Depreciation of owned tangible fixed assets	2,666	2,394
- Amortisation of intangible fixed assets	4	3
Auditors' remuneration - for statutory audit services	12	12
- other services	9	9
Operating lease rentals		
- Land and buildings	4,447	3,799
- Other	4	4
Share based payments	101	193
Restaurant opening costs (note 3)	142	224

### 5 COST OF FUNDAMENTAL REORGANISATION

During the year, the company incurred £618,000 (2010 £76,000) cost of fundamental reorganisation in relation to the reorganisation of the group in which the company is a member. Included in this amount is £281,000 (2010 £Nil) relating to the additional share based payment charged arising from the acceleration of vesting following the change of control of the company (as described in note 21).

**Gourmet Burger Kitchen Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 27 March 2011**

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**6 IMPAIRMENT OF TANGIBLE FIXED ASSETS**

During the year the company recognised loss on impairment of the tangible fixed assets of a small number of restaurant amounting to £6,428,000 (2010 £Nil)

**7 INVESTMENT INCOME**

Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
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Interest receivable	18	2
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**8 INTEREST PAYABLE**

Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
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Interest payable on bank loans and overdrafts	-	20
Interest payable on loan from parent undertaking	924	980
	<u>924</u>	<u>1,000</u>

**9 EMPLOYEES**

Year ended 27 March 2011 No	Year ended 28 March 2010 No
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The average monthly number of persons (including directors) employed by the company during the year were

Administration and management	19	18
Restaurant and distribution	898	896

	<u>917</u>	<u>914</u>
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Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
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Staff costs for above persons		
Wages and salaries	11,557	11,096
Social security costs	872	851
Share based payments	101	193
Share based payments –cost of fundamental reorganisation	281	-

	<u>12,811</u>	<u>12,140</u>
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**Gourmet Burger Kitchen Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 27 March 2011**

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**9 EMPLOYEES (continued)**

	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
<b>DIRECTORS' REMUNERATION</b>		
Emoluments	198	176
Compensation for loss of office	176	-
Total emoluments	<u>374</u>	<u>176</u>

No Directors received any pension benefits

During the year, all options vested and subsequently lapsed (as described in note 21)

**10 TAXATION**

	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
Current taxation		
UK corporation tax	-	214
Adjustments in relation to prior periods	(214)	-
Total current tax	<u>(214)</u>	<u>214</u>
Deferred taxation		
Origination and reversal of timing differences	-	208
Adjustments in respect of prior periods	-	-
Total deferred tax	<u>-</u>	<u>208</u>
Taxation on profit on ordinary activities	<u>(214)</u>	<u>422</u>



**Gourmet Burger Kitchen Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 27 March 2011**

**10 TAXATION (continued)**

Factors affecting tax charge for year	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
(Loss)/profit on ordinary activities before tax	(5,630)	2,883
Profit on ordinary activities multiplied by standard rate of 28% (2010 28%)	(1,576)	807
Expenses not deductible for tax purposes	2	2
Depreciation different to capital allowances for the year	1,828	64
Group relief	(254)	(713)
Tax losses not utilised	-	-
Share based payments	-	54
Other timing differences	-	-
Current tax charge for year	-	214

**11 INTANGIBLE FIXED ASSETS**

	Trademarks and licences £'000
Cost	
At 29 March 2010	107
Additions	16
At 27 March 2011	123
Amortisation	
At 29 March 2010	8
Charged in the year	4
At 27 March 2011	12
Net book value	
At 27 March 2011	111
At 28 March 2010	99

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 27 March 2011

#### 12 TANGIBLE FIXED ASSETS

	Short term leasehold properties £'000	Assets in the course of construction £'000	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
At 29 March 2010	31,631	332	4,164	1,540	92	37,759
Additions	1,511	2,110	440	387	-	4,448
Reclassification	2,113	(2,353)	127	113	-	-
Disposals	-	-	-	-	(46)	(46)
At 27 March 2011	35,255	89	4,731	2,040	46	42,161
<b>Accumulated depreciation</b>						
At 29 March 2010	4,985	-	2,289	377	74	7,725
Charged in the year	1,662	-	804	193	7	2,666
Impairment	5,885	76	223	244	-	6,428
Disposals	-	-	-	-	(46)	(46)
At 27 March 2011	12,532	76	3,316	814	35	16,773
<b>Net book value</b>						
At 27 March 2011	22,723	13	1,415	1,226	11	25,388
At 28 March 2010	26,646	332	1,875	1,163	18	30,034

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 March 2011

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### 13 FIXED ASSETS INVESTMENTS

Cost and net book value	Subsidiaries £'000	Other £'000	Total £'000
At 29 March 2010	-	63	63
Additions	1	-	1
At 27 March 2011	<u>1</u>	<u>63</u>	<u>64</u>

#### Subsidiaries

The company owns more than 20% of the equity of the following undertakings

Name of subsidiary	Class of Holding	Proportion held directly	Nature of business
Gourmet Burger Limited	Ordinary	100%	Dormant
GBK Franchises Limited	Ordinary	100%	Franchising
GBK Retail Limited	Ordinary	100%	Retail
Gourmet Burger Kitchen (Ireland) Limited	Ordinary	100%	Dormant

Gourmet Burger Limited, GBK Franchises Limited, GBK Retail Limited are registered in England and Wales. Gourmet Burger Kitchen (Ireland) Limited is registered in Ireland.

The company has relied on the exemption under section 400 of the Companies Act 2006 from preparing group accounts as the company itself is a subsidiary of Nando's Group Holding Limited, a company registered in England and Wales, and is included in the consolidated accounts of that company.

#### Other investments

The company holds 10% of the issued share capital of Master Burger Investments Limited, a company registered in Ireland. Master Burger Investments Limited operates the GBK franchise in Ireland and Northern Ireland.

14 STOCKS	27 March 2011 £'000	28 March 2010 £'000
Raw materials and consumables	<u>761</u>	<u>736</u>

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 27 March 2011

15	DEBTORS	27 March 2011 £'000	29 March 2009 £'000
	Due within one year		
	Trade debtors	468	640
	Prepayments and accrued income	2,236	1,021
		<u>2,704</u>	<u>1,661</u>
	Due after more than one year		
	Other debtors	53	110
		<u>2,757</u>	<u>1,771</u>
	Other debtors due after more than one year relate to rent deposits		
16	CREDITORS Amounts falling due within one year	27 March 2011 £'000	28 March 2010 £'000
	Bank loans and overdrafts	36	183
	Trade creditors	4,856	3,133
	Corporation tax	-	214
	Other taxation and social security	1,492	1,334
	Other creditors	611	312
	Accruals and deferred income	1,787	1,551
		<u>8,782</u>	<u>6,727</u>

The bank overdraft is secured by a fixed and floating charge over all the assets of the company

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 27 March 2011

17	CREDITORS Amounts falling due in more than one year	27 March 2011 £'000	28 March 2010 £'000
	Amounts owed to parent undertaking	12,888	13,532
		<u>12,888</u>	<u>13,532</u>

Amounts owed to parent undertaking are unsecured and incurs interest payable at an average of 2% above bank interest rate payable by the parent company

18	PROVISION FOR LIABILITIES	27 March 2011 £'000	28 March 2010 £'000
	Deferred taxation		
	Opening provision	923	715
	Transfer from profit and loss account	-	208
	Closing provision	<u>923</u>	<u>923</u>
	Provision for deferred tax has been made as follows		
	Accelerated capital allowances	923	923
	Other timing differences	-	-
		<u>923</u>	<u>923</u>

19	SHARE CAPITAL	27 March 2011 £'000	28 March 2010 £'000
	Authorised 1,000 ordinary shares of £1 each	1	1
	Allotted, issued and fully paid 560 ordinary shares of £1 each	<u>1</u>	<u>1</u>

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 27 March 2011

20	SHARE PREMIUM ACCOUNT	27 March 2011 £'000	28 March 2010 £'000
	28 March 2010 and 27 March 2011	174	174
21	CAPITAL CONTRIBUTION RESERVE	27 March 2011 £'000	28 March 2010 £'000
	Opening reserve	815	622
	Share based payments	382	193
	Closing reserve	1,197	815

GBK Restaurants Limited (formerly The Clapham House Group PLC) operated five share based payment schemes

- a Enterprise Management Incentive ('EMI') Share Option Plan,
- b Unapproved Share Option Plan,
- c Approved Share Option Scheme 2006 ('CSOP'), and
- d 2007 Long Term Incentive Plan ("LTIP"), and
- e Restricted Share Plan

All share options vested in October 2010 following the change of control of The Clapham House Group PLC, the then ultimate holding company of the company, and lapsed in November 2010

22	PROFIT AND LOSS ACCOUNT	28 March 2011 £'000	28 March 2010 £'000
	Opening balance	10,849	8,388
	(Loss)/profit for the financial year	(5,416)	2,461
	Closing balance	5,433	10,849

# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 27 March 2011

23	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	27 March 2011 £'000	28 March 2010 £'000
	Opening shareholders' funds	11,839	9,185
	(Loss)/profit for the financial year	(5,416)	2,461
	Parent contribution on share based payments	382	193
	Net (decrease)/addition to shareholders' funds	(5,034)	2,654
	Closing shareholders' funds	6,805	11,839

## 24 COMMITMENTS UNDER OPERATING LEASES

The company had annual commitments under non-cancellable operating leases as follows

	27 March 2011 £'000	28 March 2010 £'000
Land and buildings		
expiring within one year	-	-
expiring between two and five years	344	303
expiring after five years	4,247	3,775
	4,591	4,078
Others		
expiring within one year	4	4
expiring between one and two years	-	-
	4	4

**Gourmet Burger Kitchen Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 27 March 2011**

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25 CASH FLOWS

	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
<b>A Reconciliation of operating profit to net cash outflow from operating activities</b>		
Operating profit	2,402	3,957
Depreciation and amortisation	2,670	2,402
Share based payments	101	193
Loss on disposal of tangible fixed assets	-	2
	<u>5,173</u>	<u>6,554</u>
(Increase)/decrease in stock	(25)	(49)
(Increase)/decrease in debtors	(986)	1,100
Decrease in creditors	(417)	(747)
Payments in respect of fundamental reorganisation	(417)	(76)
Net cash inflow from operating activities	<u>6,241</u>	<u>6,782</u>
	Year ended 27 March 2011 £'000	Year ended 28 March 2010 £'000
<b>B Analysis of cash flows for headings netted in the cash flow</b>		
<b>Returns on investments and servicing of finance</b>		
Interest received	18	2
Interest paid	(924)	(1,000)
	<u></u>	<u></u>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(906)</u>	<u>(998)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(4,448)	(2,573)
Purchase of intangible fixed assets	(16)	(19)
Purchase of investments	(1)	-
	<u></u>	<u></u>
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(4,465)</u>	<u>(2,592)</u>
<b>Financing</b>		
Capital repayments on parent undertaking loans	(644)	(2,887)
	<u></u>	<u></u>
<b>Net cash outflow from financing</b>	<u>(644)</u>	<u>(2,887)</u>



# Gourmet Burger Kitchen Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 27 March 2011

	At 29 March 2010 £'000	Cash flow £'000	At 27 March 2011 £'000
<b>C Analysis of net debt</b>			
Cash in hand, at bank	318	(1)	317
Overdrafts	(183)	147	(36)
	<u>135</u>	<u>146</u>	<u>281</u>
Debt due after 1 year	(13,532)	644	(12,888)
Total net debt	<u>(13,397)</u>	<u>790</u>	<u>(12,607)</u>

#### **D Major non-cash transactions**

There were no material non-cash transactions that occurred during the year ended 27 March 2011

#### **26 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption granted under FRS8 that transactions do not need to be disclosed with companies where 100% of the voting rights are controlled within the group

The following share options were granted during the period to the directors, who are not also directors of the parent company, under the group's 2007 Long Term Incentive Plan ("LTIP") (for further details see the Annual Report and Accounts of GBK Restaurants Limited)

Number of LTIP Units Granted	27 March 2011	28 March 2010
N Mankarious	-	160,584

#### **27 CONTROLLING PARTY**

The company's immediate parent company is GBK Restaurants Limited, incorporated in the United Kingdom and conducting business from Suite C, 1 Lindsey Street, London EC1A 9HP. The ultimate parent 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.

The largest group in which the results of the company are consolidated is that headed by Nando's Group Holdings Limited that owns 72.97% of the share capital of GBK Restaurants 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.

#### **28 CAPITAL COMMITMENTS**

	27 March 2011 £'000	28 March 2010 £'000
Capital expenditure contracted for but not provided in the financial statements	15	730