

Broomco Chandos Limited

Directors' report and financial statements

Registered number 06036167
27 February 2022

TUESDAY



ABHT862G

A12

29/11/2022

#112

COMPANIES HOUSE

Contents

Directors' report	1
Statements of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Income Statement	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Notes to financial statements	6

Directors' report

The directors present their directors' report and the unaudited financial statements for the 52-week period ended 27 February 2022.

Principal activities

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

Review of business

The results for the period and financial position of the company are as shown on pages 3 and 4.

Going concern

On the basis of current financial projections prepared as part of the group cash forecasting of Nando's Group Holdings Limited for a period of 12 months from the date of approval of these financial statements, the Directors of Broomco Chandos Limited are satisfied that the Company has adequate resources to continue in operation for the foreseeable future and consequently the financial statements have been prepared on a going concern basis. This is dependent on Nando's Group Holdings Limited providing additional financial support to the Company during the period.

Dividends

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

Directors

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

J Fowler (resigned 30th April 2022)
M Gardner
C Hill

D Sefton (appointed 30th April 2022)

Political and charitable contributions

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

By order of the board



D Sefton
Director

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 period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Income Statement
for the period ended 27 February 2022

		27 February 2022	28 February 2021
	<i>Note</i>	£	£
Revenue		-	-
Cost of Sales		-	-
Gross Profit		-	-
Administrative expenses		-	-
Finance income		269,985	287,568
Finance expense		(269,985)	(287,568)
Profit before taxation	2	-	-
Taxation	3	366	4,274
Profit for the financial period		366	4,274

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.

The company has no recognised gain or losses other than the results for the current period and has therefore no statement of comprehensive income has been performed.

The accompanying notes form part of these financial statements.

Statement of financial position
at 27 February 2022

	Note	2022 £	2021 £
Non-Current Assets			
Net investment in the lease	7	<u>3,745,795</u>	<u>4,044,571</u>
		<u>3,745,795</u>	<u>4,044,571</u>
Current Assets			
Trade and other receivables	4	4,642	4,276
Net investment in the lease	7	<u>298,776</u>	<u>280,015</u>
Total Assets		<u>4,049,213</u>	<u>4,328,863</u>
Current Liabilities			
Other payables	5	(5,487)	(5,487)
Lease liabilities	7	<u>(298,776)</u>	<u>(280,015)</u>
		<u>(304,263)</u>	<u>(285,502)</u>
Non-Current Liabilities			
Lease liabilities	7	<u>(3,745,795)</u>	<u>(4,044,571)</u>
		<u>(3,745,795)</u>	<u>(4,044,571)</u>
Total Liabilities		<u>(4,050,058)</u>	<u>(4,330,074)</u>
Net Assets		<u>(845)</u>	<u>(1,211)</u>
Equity			
Called up share capital	6	2	2
Retained earnings		(16,811)	(17,177)
Capital Contribution Reserve		<u>15,964</u>	<u>15,964</u>
Total Equity		<u>(845)</u>	<u>(1,211)</u>

The accompanying notes form part of these financial statements.

For the year ending 27 February 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on **9 NOVEMBER 22** and were signed on its behalf by:


D Sefton
Director

Statement of Changes in Equity
for the period ended 27 February 2022

	Share Capital £	Retained Earnings £	Capital Contribution Reserve £	Total Equity £
Balance at 24 February 2020	2	(21,451)	15,964	(5,485)
Total Comprehensive Income for the Period				
Profit for the period	-	4,274	-	4,274
Balance at 28 February 2021	2	(17,177)	15,964	(1,211)
Total Comprehensive Income for the Period				
Profit for the period	-	366	-	366
Balance at 27 February 2022	2	(16,811)	15,964	(845)

The accompanying notes form part of these financial statements.

Notes

(forming part of the financial statements)

1. Accounting policies

Broomco Chandos Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 06036167 and the registered address St Mary's House, 42 Vicarage Crescent, Battersea, London, SW11 3LD.

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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Financial risk management objectives and policies.

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

Notwithstanding a profit for the period then ended of £366 net current liabilities of £845, as at 27 February 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through support from Nando's Group Holdings Limited and its subsidiaries. The Nando's Group Holdings Limited financial statements present the following disclosure on going concern:

"The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Borrowings at 27 February 2022 stood at £1,038.9m (2021: £1,069.2m) before lease liabilities and at £1,454.1m (2021: £1,505.5m) including lease liabilities with cash balances of £110.9m (2021: £119.7m), creating a net debt position of £928.0m (2021: £949.5m) before lease liabilities and £1,343.2m (2021: £1,385.8m) including lease liabilities and undrawn facilities of £105m (2021: £30m).

Subsequent to year-end but prior to the signing of the Group financial statements the loan with carrying value £202.0m as at 27 February 2022 was repaid, funded through a new long-term loan.

Base Case

The Group returned to significant cash generation during the year to 27 February 2022 despite the ongoing impact of the pandemic. The 'Base Case' assumption includes budgets prepared by operating entities reflecting expectations for trading performance in the year-ended 26 February 2023 and the following financial period (ending 25 February 2024) including continued recovery from the Covid-19 pandemic and the impact of heightened commodity prices on the Group's operations.

Notes (continued)

1. Accounting policies (continued)

Going concern (continued)

Using this Base Case, the Directors have prepared cash flow forecasts for the going concern period (being forecasts for the next 12 months from the date of approval of these financial statements, drawn from budgets for the rest of the current financial period and the next financial period). These indicate that the Group would be able to operate within the existing facilities that are available to it, including any scheduled repayments, without breaking any covenants and meet its liabilities as they fall due for that period.

Downside scenario

The Directors believe that the Base Case scenario above is reasonable, assuming a slow return to pre-Covid performance. However, it is possible that further government restrictions are enforced across the markets in which the Group operates. The Directors have therefore prepared a severe but plausible 'Downside scenario' that models enforced closures in all restaurants for a three month period resulting in no revenue from the Eat-in channel.

In the Downside scenario, the Group will be able to operate within the facilities that are available for the 12 months following the signing date of these financial statements."

The Directors of the Company have considered the forecasts they have prepared together with the disclosure in the financial statements of Broomco Chandos Limited and they believe that it remains appropriate to prepare the financial statements on a going concern basis based on the intention of Nando's Group Holding to provide support.

Consequently the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

Notes (continued)

2. Profit on ordinary activities before taxation

The directors were remunerated for their services, which are wholly attributable to other companies, by Nando's Chickenland Ltd.

3. Taxation

Analysis of credit in period

	2022	2021
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	366	4,274
Total tax credit	<u>366</u>	<u>4,274</u>

	2022	2021
	£000	£000
<i>Current tax reconciliation</i>		
Loss for the financial year	<u>0</u>	<u>0</u>
Current tax at 19.0% (2020: 19.0%)	<u>0</u>	<u>0</u>
<i>Effect of</i>		
Expenses not deductible for tax purposes		
Transfer pricing adjustment	366	4,274
Change in tax rate on deferred tax		
Deferred tax not recognised		
Total tax credited	<u>366</u>	<u>4,274</u>

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, a further reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 March 2016. This additional rate was later reversed (substantively enacted on 17 March 2020). A tax increase to 25% (effective from 1 April 2023) was announced in the Budget on 3 March 2021.

On 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 27 February 2022.

Notes (continued)

4. Trade and other receivables

	27 February 2022 £	28 February 2021 £
Amounts owed by group undertakings	<u>4,642</u>	<u>4,276</u>

5. Trade and other payables

	27 February 2022 £	28 February 2021 £
Amounts due to group undertakings	<u>5,487</u>	<u>5,487</u>

6. Share Capital

	27 February 2022 £	28 February 2021 £
Alloted and called up Equity: 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Included in trade and other receivables are amounts owed to the company from Broomco (4061) Limited in respect of the incorporation and issue of share capital.

Notes (continued)

7. Leases

Leases as a lessee

This note provides information for leases where the Company is a lessee:

Amounts recognised in the balance sheet:

	Period ended 27 February 2022 £	Period ended 28 February 2021 £
Lease Liability		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	550,000	550,000
One to five year	2,200,000	2,200,000
More than five years	2,724,712	3,274,712
Total undiscounted lease liabilities at 27 February 2022	<u>5,474,712</u>	<u>6,024,712</u>
 Total Lease Liability at 27 February 2022 of which:		
Current Lease Liability	298,776	280,015
Non-Current Lease Liability	<u>3,745,795</u>	<u>4,044,571</u>
	<u>4,044,571</u>	<u>4,324,587</u>

Leases as a lessor

Amounts recognised in the balance sheet:

	27-Feb 2022 £	28-Feb 2021 £
Net investment in the leases		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	550,000	550,000
One to five year	2,200,000	2,200,000
More than five years	2,724,712	3,274,712
Total undiscounted lease payments to be received at 27 February 2022	<u>5,474,712</u>	<u>6,024,712</u>
 Total Net Investment In Leases at 27 February 2022 of which:		
Current Lease Liability	298,776	280,015
Non-Current Lease Liability	<u>3,745,795</u>	<u>4,044,571</u>
	<u>4,044,571</u>	<u>4,324,587</u>

Other charges recognised due to leases

Interest income (included in finance income)	269,985	287,568
Interest expense (included in finance expense)	(269,985)	(287,568)

Notes (continued)

Lease Liability

Opening Total Lease Liability	4,324,587	4,587,019
Adjustments to Lease Liability		
Interest Expense	269,985	287,568
Rent	(550,000)	(550,000)
Closing Total Lease Liability	4,044,571	4,324,587

8. Ultimate parent company

The company's immediate parent company is Broomco (4061) Limited. The largest group in which the results of the company are consolidated is that headed by Nando's Group Holdings Limited, that owns 99.3% of the share capital of Broomco (4061) 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 is L Perlman SECS, incorporated in Luxembourg and conducting business from 39 Avenue Monterey, L-2163, Luxembourg. No consolidated accounts of this group are available.

9. Subsequent Events

There are no post-balance events that will have a significant impact.

10. Related Parties

The company sublets part of its Covent Garden site to Oaxaca Ltd.

Oaxaca Ltd is a related party for Broomco Chandos as it is a subsidiary of the ultimate controlling party (L Perlman SECS).