

Gaucha Grill Limited

Report and Financial Statements

31 December 2015



MONDAY



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COMPANIES HOUSE

Directors

Z Godik

G Mann

Secretary

G Mann

Auditors

Ernst & Young LLP

Bedford House

16 Bedford Street

Belfast

Northern Ireland BT2 7DT

Bankers

Royal Bank of Scotland

62-63 Threadneedle Street

London EC2R 8LA

Solicitors

Travers Smith

10 Snow Hill

London EC1A 8LA

Registered Office

Fourth Floor

7-9 Swallow Street

London W1B 4DE

Registered No. 93289

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Principal activity and review of the business

The company's key performance indicators are as follows:

	2015	2014
	£	£
(Loss) / profit for the year	(44,518)	2,426,438
Shareholders' funds	15,070,193	15,114,711

The principal activity of the company is that of an intermediate holding company.

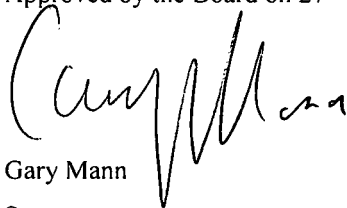
Principal risks and uncertainties

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows and are detailed in the financial statements of the ultimate parent company Gaucho Holdings Limited.

Foreign currency risk

The company's costs are in GBP with no material currency risk. The company does not currently have a policy to mitigate foreign exchange movements as management do not believe the impact would be significant.

Approved by the Board on 27th April 2016 and signed on its behalf by:



Gary Mann

Secretary

Date:

Registered No. 93289

Directors' report

The directors present their report for the year ended 31 December 2015.

Results and dividends

The loss for the year after taxation amounted to £44,518 (2014 – profit of £2,426,438). The directors do not recommend a final dividend (2014 – £nil).

Directors

The directors who served the company during the year were as follows:

Z Godik

G Mann

Events subsequent to the reporting date

On 15th January 2016, the company's ultimate parent undertaking and controlling entity Gaucha Holdings Limited was acquired by Malbec Bidco Ltd. The ultimate parent company of Malbec Bidco Ltd is Malbec Topco Ltd.

Future Developments

The directors wish to maintain the shareholder value in the business.

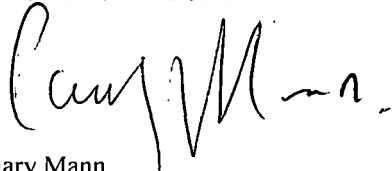
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board



Gary Mann
Director

Date:

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 auditors' report

to the members of Gaucho Grill Limited

We have audited the financial statements of Gaucho Grill Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 11. 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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 4), 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Gaucho Grill Limited

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.



Keith M Jess (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 27 April 2016

Profit and loss account

for the year ended 31 December 2015

	Notes	2015 £	2014 £
Other operating income	2	–	2,445,952
Interest payable		(150)	(48)
Foreign exchange loss		(44,368)	(19,466)
(Loss) / profit on ordinary activities before taxation		(44,518)	2,426,438
Tax charge	3	–	–
(Loss) / profit on ordinary activities after taxation		(44,518)	2,426,438
Loss brought forward		(16,605,411)	(19,031,849)
Loss carried forward		(16,649,929)	(16,605,411)

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2015

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £44,518 in the year ended 31 December 2015 (2014 – profit of £2,426,438).

Registered No. 93289

Statement of changes in equity**for the year ended 31 December 2015**

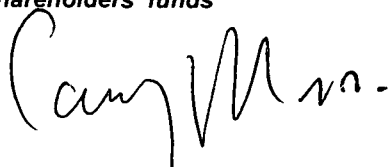
	<i>Called up share capital</i>	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Other reserves</i>	<i>Profit and loss account</i>	<i>Total Equity</i>
	£	£	£	£	£	£
At 1 January 2014	6,593,209	23,082,856	1,731,195	312,862	(19,031,849)	12,688,273
Profit for the year	—	—	—	—	2,426,438	2,426,438
At 31 December 2014	6,593,209	23,082,856	1,731,195	312,862	(16,605,411)	15,114,711
Loss for the year	—	—	—	—	(44,518)	(44,518)
At 31 December 2015	6,593,209	23,082,856	1,731,195	312,862	(16,649,929)	15,070,193

Registered No. 93289

Balance sheet

at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Investments	4	7,630,159	7,630,159
Current assets			
Cash at bank		5,047	5,197
Debtors	5	9,423,274	9,467,642
Creditors: amounts falling due within one year	6	(1,988,287)	(1,988,287)
Net current assets		<u>7,440,034</u>	<u>7,484,552</u>
Net assets		<u>15,070,193</u>	<u>15,114,711</u>
Capital and reserves			
Called up share capital	7	6,593,209	6,593,209
Share premium account		23,082,856	23,082,856
Capital redemption reserve		1,731,195	1,731,195
Other reserves		312,862	312,862
Profit and loss account		(16,649,929)	(16,605,411)
Shareholders' funds		<u>15,070,193</u>	<u>15,114,711</u>



Gary Mann

Director

Date:

Notes to the financial statements

at 31 December 2015

1. Accounting policies

Statement of compliance

Gaucho Grill Limited is a limited liability company incorporated in England and Wales. The Registered Office is Fourth Floor, 7-9 Swallow Street, London, W1B 4DE.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2015.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

Basis of preparation

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

The financial statements are prepared in Sterling which is the functional currency of the company.

Reduced disclosure framework

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraph 12.26; and
- (d) Section 33 Related Party Disclosures paragraph 33.7.

The shareholders of the Company have been notified in writing about, and do not object to, the use of the disclosure exemptions. The ultimate parent undertaking and controlling entity is Gaucho Holdings Limited, a company incorporated in England and Wales, which is the parent undertaking of the largest group to consolidate these financial statements. Gaucho Holdings Limited's group financial statements are available from the company's registered office, Fourth Floor 7-9 Swallow Street, London, W1B 4DE.

Statement of cash flows

The company, being a wholly owned subsidiary controlled within the group whose group financial statements are publicly available, is exempt from the requirement to draw up a statement of cash flows in accordance with FRS 101.1.12 "Statement of Cashflows".

Group financial statements

The company is exempt from preparing group financial statements under section 400 of the Companies Act 2006.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2. Other income

	2015	2014
	£	£
Dividends received	–	2,445,952

Notes to the financial statements

at 31 December 2015

3. Taxation

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2015 £	2014 £
Adjustments in respect of previous periods	—	—
Tax on loss on ordinary activities (note 3(b))	—	—

(b) Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%). The differences are explained below:

	2015 £	2014 £
(Loss) / profit on ordinary activities before tax	(44,518)	2,426,438
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	(9,015)	521,684
<i>Effects of:</i>		
Intergroup dividends	—	(525,880)
Group relief surrendered for no payment	9,015	—
Surplus trading losses carried forward	—	4,196
Current tax for the year (note 3(a))	—	—

4. Investments

*Investments
in subsidiary
companies
£*

Cost or valuation:

At 31 December 2014 and 31 December 2015	<u>7,630,159</u>
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Net book value:

At 31 December 2014 and 31 December 2015	<u>7,630,159</u>
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Notes to the financial statements

at 31 December 2015

4. Investments (continued)

Principal subsidiaries

<i>Name of company</i>	<i>Country of registration and of operation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Gioma (UK) Limited	England	Ordinary shares	100%	Restaurateur
Lundi Finance BV	Netherlands	Ordinary shares	100%	Restaurateur
Gaucho Nomco No1 Ltd	England	Ordinary shares	100%	Parent undertaking
Gaucho Nomco No2 Ltd	England	Ordinary shares	100%	Parent undertaking
Gaucho Lebanon SARL	Lebanon	Ordinary shares	100%	Restaurateur
CAU Restaurants Limited	England	Ordinary shares	100%	Restaurateur
Gaucho International ME Limited	UAE	Ordinary shares	100%	Parent undertaking
Gaucho Dubai LLC*	UAE	Ordinary shares	100%	Restaurateur
Thelonious SA	Argentina	Ordinary shares	50%	Restaurateur

* – Held by subsidiary undertaking

5. Debtors

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	<u>9,423,274</u>	<u>9,467,642</u>

6. Creditors: amounts falling due within one year

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	<u>1,988,287</u>	<u>1,988,287</u>

7. Issued share capital

		<i>2015</i>		<i>2014</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £0.10 each	65,932,094	<u>6,593,209</u>	65,932,094	<u>6,593,209</u>

Notes to the financial statements

at 31 December 2015

8. Related party transactions

The company has taken advantage of the exemption granted by FRS102.33 "Related party disclosures" to disclose related party transactions with other wholly owned group companies.

9. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Pan European Restaurants Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking and controlling party is Gaucho Holdings Limited, a company incorporated in England and Wales, which is the parent undertaking of the largest group to consolidate these financial statements. Gaucho Holdings Limited's group financial statements are available from the company's registered office, Fourth Floor 7-9 Swallow Street, London, W1B 4DE.

On 15th January 2016, the company's ultimate parent undertaking and controlling entity Gaucho Holdings Limited was acquired by Malbec Bidco Ltd. The ultimate parent company of Malbec Bidco Ltd is Malbec Topco Ltd.

10. Guarantees

The company has provided to Lloyds TSB Bank Plc and Royal Bank of Scotland Plc a debenture and guarantee for bank borrowings advanced to Gaucho Acquisitions Limited.

11. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. There is no impact from the transition to FRS 102.

There were no changes in accounting policies arising from the transition to FRS 102.

Transitional relief

On transition to FRS 102 from previous UK GAAP, the company have taken advantage of transitional relief as follows:

Business combinations

The group has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition to FRS 102. No adjustment has been made to the carrying value of goodwill.

Investments in subsidiaries

The company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.