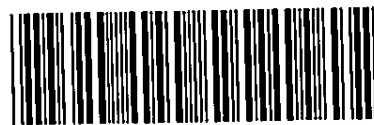


4278268

Pan European Restaurants Limited

**Pan European Restaurants Limited**  
**Report and Financial Statements**  
**For the year ended 31 December 2007**

WEDNESDAY



A63      \*AWJ5G46K\*      50  
22/10/2008  
COMPANIES HOUSE

4278268

Pan European Restaurants Limited

**Company information**

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<b>Directors</b>	Z Godik C McLean
<b>Secretary</b>	C McLean
<b>Company number</b>	4278268
<b>Registered office</b>	335 - 337 Fulham Road Chelsea London SW10 9TW
<b>Auditors</b>	Ernst & Young LLP Registered Auditor 16 Bedford House Bedford Street Belfast BT2 7DT
<b>Bankers</b>	Royal Bank of Scotland London EC2R 8LA
<b>Solicitors</b>	Taylor Wessing Carmelite 50 Victoria Embankment London EC4Y 0OX

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**Directors' Report**  
**For the year ended 31 December 2007**

The directors present their report and the financial statements for the year ended 31 December 2007

**Principal activities**

The principal activity of the company during the year was that of an intermediate holding company and provider of services to its subsidiaries

**Results**

The profit for the year, after taxation, amounted to £33,753 (2006 - £337,431)

**Directors**

The directors who served during the year were

Z Godik  
C McLean

**Provision of information to auditors**

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

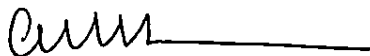
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 17th September 2008 and signed on its behalf

C McLean  
Secretary



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**Statement of directors' responsibilities**  
**for the year ended 31 December 2007**

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The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit 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 judgments 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,
- 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 that 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.

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## **Independent Auditors' report to the members of Pan European Restaurants Limited**

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We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 auditors' 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 United Kingdom law and 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.

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## Independent Auditors' report to the members of Pan European Restaurants Limited

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### 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 31 December 2007 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

**Ernst & Young LLP**

Registered auditor

Belfast

Date

*Ernst & Young LLP*

*19 September 2008.*

**Profit and loss account**

**for the year ended 31 December 2007**

	<i>Note</i>	<i>2007</i> £	<i>2006</i> £
Administrative expenses		48,219	-
<b>Operating profit</b>	2	48,219	-
Interest receivable	4	-	482,044
<b>Profit on ordinary activities before taxation</b>		48,219	482,044
Tax on profit on ordinary activities	5	(14,466)	(144,613)
<b>Profit on ordinary activities after taxation</b>	9	33,753	337,431

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The notes on pages 7 to 9 form part of these financial statements




**Balance sheet**

**as at 31 December 2007**

	<i>Note</i>	<i>2007</i> £	<i>2006</i> £
<b>Fixed assets</b>			
Fixed asset investments	6	13,186,419	13,186,419
<b>Creditors. amounts falling due within one year</b>	7	(12,410,432)	(12,444,185)
<b>Total assets less current liabilities</b>		<u>775,987</u>	<u>742,234</u>
<b>Capital and Reserves</b>			
Called up share capital	8	1,065,403	1,065,403
Profit and loss account	9	(289,416)	(323,169)
<b>Shareholders' funds</b>	10	<u>775,987</u>	<u>742,234</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**C McLean**  
Director

The notes on pages 7 to 9 form part of these financial statements

**Notes to the financial statements**  
**For the year ended 31 December 2007**

**1 Accounting policies**

**1.1 Basis of preparation of financial statements**

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.3 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**2 Operating profit**

**3 Staff costs**

The company has no employees other than the directors, who did not receive any remuneration (2006 - £NIL).

**4 Interest receivable**

	2007 £	2006 £
Other interest receivable	-	482,044

**5 Taxation**

	2007 £	2006 £
UK corporation tax charge on profit for the year	14,466	144,613

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 30% (2006 - 30%).

**Notes to the financial statements**  
For the year ended 31 December 2007

**6 Fixed asset investments**

*Shares in group  
undertakings  
£*

**Cost or valuation**

At 1 January 2007 and 31 December 2007

13,186,419

<i>Name of company</i>	<i>Country of incorporation and registration</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Gaucha Grill Limited	England	Ordinary shares	100%	Intermediate holding co
Gioma (UK) Limited	England	Ordinary shares	100% *	Restaurant operator
Lundi Finance BV	Netherlands	Ordinary shares	100% *	Restaurant operator

\* shares held by a subsidiary undertaking

**7 Creditors**

**Amounts falling due within one year**

	<i>2007 £</i>	<i>2006 £</i>
Bank loans and overdrafts	-	135
Amounts owed to group undertakings	12,395,966	12,262,781
Corporation tax	14,466	144,613
Accruals and deferred income	-	36,656
	<u>12,410,432</u>	<u>12,444,185</u>

**8 Share capital**

	<i>2007 £</i>	<i>2006 £</i>
<b>Authorised, allotted, called up and fully paid</b>		
1,065,403 Ordinary Shares of £1 each shares of £1 each	<u>1,065,403</u>	<u>1,065,403</u>

## Notes to the financial statements

For the year ended 31 December 2007

### 9 Reserves

	<i>Profit and loss account £</i>
At 1 January 2007	(323,169)
Profit for the year	33,753
	<u>(289,416)</u>
At 31 December 2007	<u>(289,416)</u>

### 10 Reconciliation of movement in shareholders' funds

	<i>2007 £</i>	<i>2006 £</i>
Opening shareholders' funds/(deficit)	742,234	(660,600)
Profit for the year	33,753	337,431
Shares issued during the year	-	1,065,403
	<u>775,987</u>	<u>742,234</u>
Closing shareholders' funds	<u>775,987</u>	<u>742,234</u>

### 11 Related party transactions

The company has taken advantage of the exemption granted by paragraph 3(c) of the Financial Reporting Standard No 8 not to disclose related party transactions with group companies

### 12 Ultimate parent undertaking and controlling party

On 14 December 2007 Gaucho Holdings Limited acquired 100% of the share capital of Gaucho Group Limited, the company's ultimate parent company at that date

At 31 December 2007, Gaucho Group Limited is the largest and smallest group for which consolidated accounts are prepared. Copies of the financial statements of Gaucho Group Limited are available from the company's registered office, 335 and 337 Fulham Road, London, SW10 9TW

### 13 Guarantees

The company has provided to Lloyds TSB Bank Plc, on behalf of Lloyds TSB Bank Plc and Royal Bank of Scotland Plc a debenture and guarantee for a bank loan of £40,000,000 advanced to Gaucho Acquisitions Limited