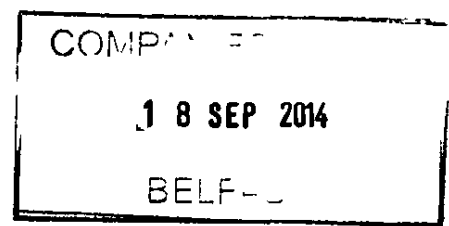


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Gaucha Group Limited

**Report and Financial Statements
for the year ended 31 December 2013**



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COMPANIES HOUSE

Gaucha Group Limited

Company Information

Directors Zeev Godik
 Charlie McLean (resigned 31 October 2013)
 Gary Mann (appointed 31 October 2013)

Company secretary G Mann

Registered number 05866531

Registered office Fourth Floor 7-9 Swallow Street
 London
 W1B 4DE

Independent 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 2AL

Gaucha Group Limited

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Gaucho Group Limited

**Directors' report
for the year ended 31 December 2013**

The directors present their report and the financial statements for the year ended 31 December 2013

Results

The loss for the year, after taxation, amounted to £1,391,710 (2012 - loss £1,391,710)

Directors

The directors who served during the year were

Zeev Godik
Charlie McLean (resigned 31 October 2013)
Gary Mann (appointed 31 October 2013)

Future developments

The directors wish to maintain the growth of turnover in the group through continued expansion of restaurants

Disclosure 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
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information

Small companies' exemption

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



Gary Mann

Director

Date

24/4/14

Gaucha Group Limited

Directors' responsibilities statement for the year ended 31 December 2013

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 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 judgments and accounting 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.

Gaucha Group Limited

Independent auditors' report to the shareholders of Gaucha Group Limited

We have audited the financial statements of Gaucha Group Limited for the year ended 31 December 2013, which comprise the profit and loss account, the balance sheet and related notes 1 to 12. 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, 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 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

As explained more fully in the Directors' responsibilities statement, 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 2013 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.

Gaucha Group Limited

Independent auditors' report to the shareholders of Gaucha Group 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

Ernst & Young LLP

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

24 April 2014

Gaucha Group Limited

**Profit and loss account
for the year ended 31 December 2013**

	<i>Note</i>	<i>2013</i> <i>£</i>	<i>2012</i> <i>£</i>
Interest payable and similar charges		<u>(1,391,710)</u>	<u>(1,391,710)</u>
Loss on ordinary activities before taxation		<u>(1,391,710)</u>	<u>(1,391,710)</u>
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss for the financial year	8	<u><u>(1,391,710)</u></u>	<u><u>(1,391,710)</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 7 to 10 form part of these financial statements

Gaucha Group Limited
Registered number 05866531

Balance sheet
as at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	3		14,699,702		14,699,702
Current assets					
Debtors	4	1,162,096		1,162,096	
Creditors amounts falling due within one year	5	(1,131,032)		(1,131,032)	
Net current assets			31,064		31,064
Total assets less current liabilities			14,730,766		14,730,766
Creditors , amounts falling due after more than one year	6		(24,278,825)		(22,887,115)
Net liabilities			(9,548,059)		(8,156,349)
Capital and reserves					
Called up share capital	7		9,667		9,667
Share premium account	8		957,019		957,019
Profit and loss account	8		(10,514,745)		(9,123,035)
Shareholders' deficit	9		(9,548,059)		(8,156,349)

Small companies' exemption

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006

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



Gary Mann
Director

Date 24/4/14

The notes on pages 7 to 10 form part of these financial statements

Gaucha Group Limited

Notes to the financial statements for the year ended 31 December 2013

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

1.2 Cash flow

The company, being a wholly owned subsidiary 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 held as fixed assets are shown at cost less provision for impairment

1.4 Group Financial Statements

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

2. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL)

3. Fixed asset investments

	<i>Investments in subsidiary companies £</i>
Cost or valuation	
At 1 January 2013 and 31 December 2013	14,699,702
Net book value	
At 31 December 2013	14,699,702
At 31 December 2012	14,699,702

Gaucha Group Limited

**Notes to the financial statements
for the year ended 31 December 2013**

3. Fixed asset investments (continued)**a Principal subsidiaries**

Company name	Country	Percentage Shareholding	Description
Gaucha Acquisitions Limited	England	100%	Holding Company
Gaucha Grill Holdings Limited*	England	100%	Holding Company
Inhoco 4065 Limited*	England	100%	Holding Company
Pan European Restaurants Limited*	England	100%	Holding Company
Gaucha Grill Limited*	England	100%	Holding Company
Gaucha Nomco No 1 Limited*	England	100%	Holding Company
Gaucha Nomco No 2 Limited*	England	100%	Holding Company
Gaucha ME International Limited*	UAE	100%	Holding Company
Groma (UK) Limited*	England	100%	Restaurateur
Lundi BV*	Netherlands	100%	Restaurateur
Gaucha Lebanon SARL*	Lebanon	100%	Restaurateur
CAU Restaurants Limited*	England	100%	Restaurateur
Gaucha Dubai LLC*	UAE	100%	Restaurateur

b. Principal joint ventures

Company name	Country	Percentage Shareholding	Description
Sucre Restaurant*	Argentina	50%	Restaurateur

* - Held by subsidiary undertaking

4 Debtors

	2013 £	2012 £
Amounts owed by group undertakings	1,162,096	1,162,096

5. Creditors**Amounts falling due within one year**

	2013 £	2012 £
Amounts owed to group undertakings	1,131,032	1,131,032

Gaucha Group Limited

**Notes to the financial statements
for the year ended 31 December 2013**

**6. Creditors.
Amounts falling due after more than one year**

	2013 £	2012 £
Preference shares (Note7)	24,278,825	22,887,115

Disclosure of the terms and conditions attached to the non-equity shares is made in note 7

Creditors include amounts not wholly repayable within 5 years as follows

	2013 £	2012 £
Repayable other than by instalments	24,278,825	22,887,115

The preference shares include interest rolled up of £6,958,550 (2012 – £5,566,840)

7. Share capital

	2013 £	2012 £
Shares classified as capital		
Allotted, called up and fully paid		
588,707 (2012 - 588,707) A ordinary shares of £0 01 each	5,887	5,887
378,000 (2012 - 378,000) B ordinary shares of £0 01 each	3,780	3,780
	<u>9,667</u>	<u>9,667</u>

Shares classified as debt**Allotted, called up and fully paid**

13,917,100 Cumulative redeemable preference shares of £0 01 each	139,171	139,171
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8 Reserves

	<i>Share premium account</i> £	<i>Profit and loss account</i> £
At 1 January 2013	957,019	(9,123,035)
Loss for the year		(1,391,710)
At 31 December 2013	<u>957,019</u>	<u>(10,514,745)</u>

Gaucha Group Limited

**Notes to the financial statements
for the year ended 31 December 2013**

9. Reconciliation of movement in shareholders' deficit

	2013 £	2012 £
Opening shareholders' deficit	(8,156,349)	(6,764,639)
Loss for the financial year	(1,391,710)	(1,391,710)
Closing shareholders' deficit	<u>(9,548,059)</u>	<u>(8,156,349)</u>

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 Gaucha Acquisitions Limited

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 wholly owned group companies

12. Ultimate parent undertaking and controlling party

The ultimate parent company and controlling entity is Gaucha Holdings Limited, a company incorporated in England and Wales

Copies of the financial statements of Gaucha Holdings Limited are available from the company's registered office, Fourth Floor 7-9 Swallow Street, London, W1B 4DE