

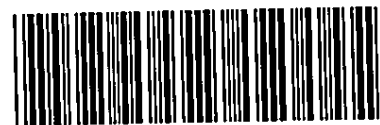
5869370

Gaucho Acquisitions Limited

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**Gaucho Acquisitions Limited**  
**Report and Financial Statements**  
**For the year ended 31 December 2008**

TUESDAY



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Gaucha Acquisitions Limited

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**Company information**

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<b>Directors</b>	Zeev Godik Charlie McLean
<b>Company secretary</b>	Charlie McLean
<b>Company number</b>	5869370
<b>Registered office</b>	335 - 337 Fulham Road London SW10 9TW
<b>Auditors</b>	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT
<b>Bankers</b>	Royal Bank of Scotland 62 -63 Threadneedle Street London EC2R 8LA  Lloyds TSB Plc 25 Gresham Street London EC2v 7HN
<b>Solicitors</b>	Travers Smith 10 Snow Hill London EC1A 2AL

Gaucha Acquisitions Limited

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**Directors' Report**  
**For the year ended 31 December 2008**

The directors present their report and the financial statements for the year ended 31 December 2008.

**Principal activities**

The company's principal activity is that of holding company.

**Business review**

Gaucha Acquisitions Limited is an immediate holding company, which raises finance and provides finance to other subsidiaries.

**Results**

The loss for the year, after taxation, amounted to £3,721,946 (2007 - loss £5,410,343).

**Directors**

The directors who served during the year were:

Zeev Godik  
Charlie 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
- that 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 485 of the Companies Act 2006.

This report was approved by the board on 24 April 2009 and signed on its behalf.



**Charlie McLean**  
Director

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**Statement of directors' responsibilities  
for the year ended 31 December 2008**

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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 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 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 Gaucho Acquisitions Limited**

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We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. 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.

Gaucha Acquisitions Limited

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**Independent Auditors' report to the members of Gaucha Acquisitions 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 2008 and of its loss 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 Auditors

Belfast

28 April 2009

*Ernst & Young LLP*

**Profit and loss account  
for the year ended 31 December 2008**

	<i>Note</i>	<b>2008 £</b>	<b>2007 £</b>
Administrative expenses		-	(32,645)
<b>Operating profit/(loss)</b>		-	(32,645)
Interest payable	3	(3,721,946)	(5,377,698)
<b>Loss on ordinary activities before taxation</b>		(3,721,946)	(5,410,343)
Tax on loss on ordinary activities		-	-
<b>Loss for the financial year</b>	9	(3,721,946)	(5,410,343)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

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



**Balance sheet  
as at 31 December 2008**

	Note	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Fixed asset investments	4		34,374,633		34,374,633
<b>Current assets</b>					
Debtors	5	21,227,862		20,937,681	
<b>Creditors: amounts falling due within one year</b>	6	(11,280,889)		(7,164,506)	
<b>Net current assets</b>			9,946,973		13,773,175
<b>Total assets less current liabilities</b>			44,321,606		48,147,808
<b>Creditors: amounts falling due after more than one year</b>	7		(37,475,527)		(37,579,783)
<b>Net assets</b>			6,846,079		10,568,025
<b>Capital and Reserves</b>					
Called up share capital	8		14,699,702		14,699,702
Other reserves	9		2,767,602		2,767,602
Profit and loss account	9		(10,621,225)		(6,899,279)
<b>Shareholders' funds</b>	10		6,846,079		10,568,025

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2009.



**Charlie McLean**  
Director

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

**Notes to the financial statements**  
**For the year ended 31 December 2008**

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

**1.4 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.5 Interest bearing loans**

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

**1.6 Interest rate swaps**

The group's criteria for interest rate swaps are:

- the instrument must be related to an asset or a liability; and
  - it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.
- Interest differentials are recognised by accruing within net interest payable. Interest rate swaps are not revalued to fair value or shown on the group balance sheet at the year end. If they are terminated early the gain/ loss is spread over the remaining maturity of the original instrument.

**Notes to the financial statements**  
For the year ended 31 December 2008

**2. Staff costs**

The company has no employees other than the directors, who did not receive any remuneration (2007 - £NIL).

**3. Interest payable**

	2008 £	2007 £
On bank loans and overdrafts	3,376,202	2,554,167
Loan note interest	-	1,432,427
Release of deferred finance costs	345,744	1,391,104
	<u>3,721,946</u>	<u>5,377,698</u>

**4. Fixed asset investments**

	<i>Shares in group under-takings</i> £
<b>Cost or valuation</b>	
At 1 January 2008 and 31 December 2008	<u>34,374,633</u>

**5. Debtors**

	2008 £	2007 £
Amounts owed by group undertakings	21,051,466	20,664,337
Other debtors	176,396	273,344
	<u>21,227,862</u>	<u>20,937,681</u>

**6. Creditors:**  
**Amounts falling due within one year**

	2008 £	2007 £
Bank loans and overdrafts	2,250,000	-
Amounts owed to group undertakings	8,949,614	6,811,837
Other creditors	81,275	14,350
Accruals and deferred income	-	338,319
	<u>11,280,889</u>	<u>7,164,506</u>

**Notes to the financial statements**  
**For the year ended 31 December 2008**

**7. Creditors:**  
**Amounts falling due after more than one year**

	2008 £	2007 £
Bank loans	37,475,527	37,579,783

Creditors include amounts not wholly repayable within 5 years as follows:

	2008 £	2007 £
Repayable by instalments	29,860,000	31,750,000

The bank loan, advanced by Lloyds TSB Bank PLC and the Royal Bank of Scotland PLC is secured by an unlimited debenture from the company and a letter of guarantee from all other companies in the group. Interest is charged at LIBOR plus a margin. The margin is between 1.75% and 3% dependent on a ratchet based upon gross leverage.

The bank loan is repayable in instalments as follows:

	2008 £	2007 £
1 - 2 years	(1,000,000)	(1,000,000)
2 - 5 years	(7,250,000)	(7,250,000)
Bank loans > 5 yrs	(33,550,000)	(31,750,000)
Deferred finance costs	2,074,473	2,420,217
<b>Total</b>	<b>(39,725,527)</b>	<b>(37,579,783)</b>

**8. Share capital**

	2008 £	2007 £
<b>Authorised, allotted, called up and fully paid</b>		
14,699,702 Equity shares of £1 each	14,699,702	14,699,702

**Notes to the financial statements**  
For the year ended 31 December 2008

**9. Reserves**

	<i>Other reserves</i> £	<i>Profit and loss account</i> £
At 1 January 2008	2,767,602	(6,899,279)
Loss for the year		(3,721,946)
At 31 December 2008	<u>2,767,602</u>	<u>(10,621,225)</u>

**10. Reconciliation of movement in shareholders' funds**

	<i>2008</i> £	<i>2007</i> £
Opening shareholders' funds	10,568,025	13,210,766
Loss for the year	(3,721,946)	(5,410,343)
Capital contribution from parent company	-	2,767,602
Closing shareholders' funds	<u>6,846,079</u>	<u>10,568,025</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**

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