

Gaucha Acquisitions Limited

Gaucha Acquisitions Limited

- 5869370

Report and Financial Statements

For the year ended 31 December 2010

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Gaucha Acquisitions Limited

Company Information

Directors	Zeev Godik Charlie McLean
Company secretary	Charlie McLean
Company number	5869370
Registered office	Fourth Floor 7-9 Swallow Street London W1B 4DE
Auditors	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT
Bankers	Royal Bank of Scotland 62 -63 Threadneedle Street London EC2R 8LA Lloyds TSB Plc 25 Gresham Street London EC2V 7HN
Solicitors	Travers Smith 10 Snow Hill London EC1A 2AL

Gaucha Acquisitions Limited

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Gaucha Acquisitions Limited

**Directors' report
for the year ended 31 December 2010**

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The company's principal activity is that of holding company

Business review

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

Results

The loss for the year, after taxation, amounted to £2,839,586 (2009 - loss £3,017,323)

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 and signed on its behalf



Charlie McLean
Director

Date 15 April 2011

Gaucha Acquisitions Limited

**Statement of directors' responsibilities
for the year ended 31 December 2010**

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 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 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 Acquisitions Limited

Independent Auditors' report to the members of Gaucha Acquisitions Limited

We have audited the company's financial statements of Gaucha Acquisitions Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 14. 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 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 on page 2, 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 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 (APB'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.

Gaucha Acquisitions Limited

Independent Auditors' report to the members of Gaucha Acquisitions Limited

Opinion in the financial statements

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 2010 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

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

Belfast

Date *20 April 2011.*

Gaucha Acquisitions Limited

**Profit and loss account
for the year ended 31 December 2010**

	<i>Note</i>	<i>2010</i> £	<i>2009</i> £
Interest payable and similar charges	3	(2,839,586)	(3,017,323)
Loss on ordinary activities before taxation		(2,839,586)	(3,017,323)
Tax on loss on ordinary activities		-	-
Loss for the financial year	9	(2,839,586)	(3,017,323)

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account


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

Gaucha Acquisitions Limited
Registered number: 5869370

Balance sheet
as at 31 December 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Investments	4		34,374,634		34,374,634
Current assets					
Debtors	5	21,051,466		21,051,466	
Creditors amounts falling due within one year	6	(21,690,790)		(13,872,330)	
Net current (liabilities)/assets			(639,324)		7,179,136
Total assets less current liabilities			33,735,310		41,553,770
Creditors amounts falling due after more than one year	7		(32,746,140)		(37,725,014)
Net assets			989,170		3,828,756
Capital and reserves					
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		(16,478,134)		(13,638,548)
Shareholders' funds	10		989,170		3,828,756

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



Charlie McLean
Director

Date *15 April 2011.*

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

Gaucho Acquisitions Limited

Notes to the financial statements for the year ended 31 December 2010

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 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 company'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.

2 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2009 - £NIL)

Gaucha Acquisitions Limited

**Notes to the financial statements
for the year ended 31 December 2010**

3 Interest payable

	2010 £	2009 £
On bank loans and overdrafts	2,493,842	2,671,579
Release of deferred finance costs	345,744	345,744
	<u>2,839,586</u>	<u>3,017,323</u>

4 Fixed asset investments

	<i>Investments in subsidiary companies £</i>
Cost or valuation	
At 1 January 2010 and 31 December 2010	<u>34,374,634</u>
Net book value	
At 31 December 2010	<u>34,374,634</u>
At 31 December 2009	<u>34,374,634</u>

5 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	<u>21,051,466</u>	<u>21,051,466</u>

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

	2010 £	2009 £
Bank loans and overdrafts (net of deferred finance costs)	2,005,971	2,364,256
Amounts owed to group undertakings	19,684,819	11,508,074
	<u>21,690,790</u>	<u>13,872,330</u>

Gaucha Acquisitions Limited

**Notes to the financial statements
for the year ended 31 December 2010**

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

	2010 £	2009 £
Bank loans	32,746,140	37,725,014

Creditors include amounts not wholly repayable within 5 years as follows

	2010 £	2009 £
Repayable other than by instalments	-	13,500,000

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 due after 1 year is repayable as follows

	2010 £	2009 £
1 - 2 years	(5,064,652)	(6,170,000)
2 - 5 years	(28,718,727)	(19,438,000)
Bank loans > 5 yrs	-	(13,500,000)
Deferred finance costs	1,037,239	1,382,984
Total	(32,746,140)	(37,725,016)

8 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
14,699,702 Equity shares of £1 each	14,699,702	14,699,702

9. Reserves

	Other reserves £	Profit and loss account £
At 1 January 2010	2,767,602	(13,638,548)
Loss for the year		(2,839,586)
At 31 December 2010	2,767,602	(16,478,134)

Gaucha Acquisitions Limited

Notes to the financial statements for the year ended 31 December 2010

10 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Opening shareholders' funds	3,828,756	6,846,079
Loss for the year	(2,839,586)	(3,017,323)
Closing shareholders' funds	989,170	3,828,756

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

The immediate parent company is Gaucha Group Limited, a company incorporated in England and Wales

The ultimate parent company 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

13 Principal subsidiaries

Company name	Country	Proportion of voting rights and shares held	Description
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
Groma (UK) Limited*	England	100%	Restaurateur
Lundi BV*	Netherlands	100%	Restaurateur
Gaucha Lebanon SARL*	Lebanon	100%	Restaurateur
CAU Restaurants Limited*	England	100%	Restaurateur

* Held by a subsidiary undertaking

14 Guarantees

The company has provided to Lloyds TSB Bank Plc and Royal Bank of Scotland Plc a debenture and guarantee for bank borrowings