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Gaucho Acquisitions Limited

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**Gaucho Acquisitions Limited**  
**Report and Financial Statements**  
**For the year ended 31 December 2012**

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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>	Fourth Floor 7-9 Swallow Street London W1B 4DE
<b>Auditors</b>	Ernst & Young LLP Bedford House 16 Bedford Street Belfast Northern Ireland 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

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Gaucha Acquisitions Limited

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**Contents**

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	Page
<b>Directors' report</b>	1
<b>Directors' responsibilities statement</b>	2
<b>Independent auditors' report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Balance sheet</b>	6
<b>Notes to the financial statements</b>	7 - 12

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Gaucha Acquisitions Limited

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**Directors' report  
for the year ended 31 December 2012**

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The directors present their report and the financial statements for the year ended 31 December 2012

**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 £1,441,917 (2011 - loss £1,763,371)

**Directors**

The directors who served during the year were

Zeev Godik  
Charlie McLean

**Provision of information to auditors**

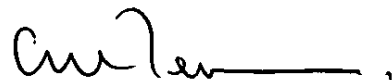
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- 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 5th April 2013

**Directors' responsibilities statement  
for the year ended 31 December 2012**

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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 accounting estimates that are reasonable and prudent,
- 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.

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**Independent auditors' report to the shareholders of Gaucha Acquisitions Limited**

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We have audited the financial statements of Gaucha Acquisitions Limited for the year ended 31 December 2012, set out on pages 5 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, 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, 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 2012 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.

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Gaucho Acquisitions Limited

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**Independent auditors' report to the shareholders of Gaucho Acquisitions Limited**

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

9 April 2013

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Gaucho Acquisitions Limited

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**Profit and loss account  
for the year ended 31 December 2012**

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	<i>Note</i>	<i>2012</i> £	<i>2011</i> £
Interest payable and similar charges	3	(1,441,917)	(1,763,371)
<b>Loss on ordinary activities before taxation</b>		(1,441,917)	(1,763,371)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>	10	(1,441,917)	(1,763,371)

All amounts relate to continuing operations

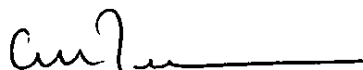
There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

**Balance sheet  
as at 31 December 2012**

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Investments	5		34,374,634		34,374,634
<b>Current assets</b>					
Debtors	6	20,785,406		21,051,466	
<b>Creditors: amounts falling due within one year</b>	7	(33,119,428)		(27,549,652)	
<b>Net current liabilities</b>			(12,334,022)		(6,498,186)
<b>Total assets less current liabilities</b>			22,040,612		27,876,448
<b>Creditors: amounts falling due after more than one year</b>	8		(24,256,730)		(28,650,649)
<b>Net liabilities</b>			(2,216,118)		(774,201)
<b>Capital and reserves</b>					
Called up share capital	9		14,699,702		14,699,702
Other reserves	10		2,767,602		2,767,602
Profit and loss account	10		(19,683,422)		(18,241,505)
<b>Shareholders' deficit</b>	11		(2,216,118)		(774,201)

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



**Charlie McLean**  
Director

Date 5 April 2013

The notes on pages 7 to 12 form part of these financial statements

**Notes to the financial statements  
for the year ended 31 December 2012**

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**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 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.

**1.7 Group Financial Statements**

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

**Notes to the financial statements  
for the year ended 31 December 2012**

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**2 Staff costs**

The company has no employees other than the directors, who did not receive any remuneration (2011 - £NIL)

**3 Interest payable**

	2012 £	2011 £
On bank loans and overdrafts	1,096,173	1,417,627
Release of deferred finance costs	345,744	345,744
	<u>1,441,917</u>	<u>1,763,371</u>

**4 Taxation**

***Factors affecting tax charge for the year/period***

The tax assessed for the year/period is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(1,441,917)</u>	<u>(1,763,371)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(353,270)	(467,293)
<b><i>Effects of</i></b>		
Group relief surrendered for no payment	353,270	467,293
<b><i>Current tax charge for the year/period (see note above)</i></b>	<u>-</u>	<u>-</u>

**Notes to the financial statements  
for the year ended 31 December 2012**

**5 Fixed asset investments**

	<i>Investments in subsidiary companies £</i>
<b>Cost or valuation</b>	
At 1 January 2012 and 31 December 2012	34,374,634
<b>Net book value</b>	
At 31 December 2012	34,374,634
At 31 December 2011	34,374,634

**6 Debtors**

	<i>2012 £</i>	<i>2011 £</i>
Amounts owed by group undertakings	20,785,406	21,051,466

**7 Creditors  
Amounts falling due within one year**

	<i>2012 £</i>	<i>2011 £</i>
Bank loans and overdrafts (net of deferred finance costs)	559,805	1,282,361
Amounts owed to group undertakings	32,559,623	26,267,291
	33,119,428	27,549,652

**8 Creditors:  
Amounts falling due after more than one year**

	<i>2012 £</i>	<i>2011 £</i>
Bank loans	24,256,730	28,650,649

**Notes to the financial statements  
for the year ended 31 December 2012**

The bank loan due after 1 year is repayable as follows

	2012 £	2011 £
1 - 2 years	905,550	1,628,107
2 - 5 years	23,696,933	27,714,039
Bank loans > 5 yrs	-	-
Deferred finance costs	(345,753)	(691,497)
<b>Total</b>	<b>24,256,730</b>	<b>28,650,649</b>

At the year end the group had total borrowings of £25,508,033 which have been advanced to Gaucha Acquisitions Limited, this is split between £905,550 due within 1 year and £24,602,483 due after 1 year. The loans are stated net of deferred finance costs of £691,497, this is split between £345,745 due within 1 year and £345,743 due after 1 year. 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.

**9 Share capital**

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
14,699,702 Equity shares of £1 each	14,699,702	14,699,702

**10. Reserves**

	Other reserves £	Profit and loss account £
At 1 January 2012	2,767,602	(18,241,505)
Loss for the year		(1,441,917)
<b>At 31 December 2012</b>	<b>2,767,602</b>	<b>(19,683,422)</b>

**11 Reconciliation of movement in shareholders' deficit**

	2012 £	2011 £
Opening shareholders' (deficit)/funds	(774,201)	989,170
Loss for the year/period	(1,441,917)	(1,763,371)
<b>Closing shareholders' deficit</b>	<b>(2,216,118)</b>	<b>(774,201)</b>

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Gaucha Acquisitions Limited

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**Notes to the financial statements  
for the year ended 31 December 2012**

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**12 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 other wholly owned group companies

**13 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

**Notes to the financial statements  
for the year ended 31 December 2012**

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**14 Principal subsidiaries**

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

\* Held by a subsidiary undertaking

**15 Guarantees**

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