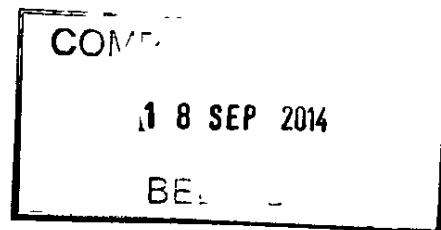


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Gaucha Acquisitions Limited

Report and Financial Statements

for the year ended 31 December 2013



Gaucha Acquisitions Limited

Company Information

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

Company secretary G Mann

Registered number 5869370

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

 Lloyds TSB Plc
 25 Gresham Street
 London
 EC2V 7HN

Solicitors Travers Smith
 10 Snow Hill
 London
 EC1A 2AL

Gaucho Acquisitions Limited

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Gaucha Acquisitions 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. In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Directors

The directors who served during the year were

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

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

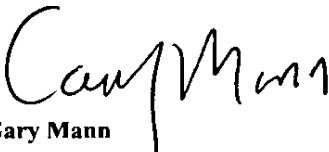
Small companies' exemption

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.

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

**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.

Independent auditors' report to the shareholders of Gaucha Acquisitions Limited

We have audited the financial statements of Gaucha Acquisitions Limited for the year ended 31 December 2013, which comprise the profit and loss account, the balance sheet and the 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, 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 set out 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 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 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 Acquisitions Limited

Independent auditors' report to the shareholders of Gaucha Acquisitions 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 Jess (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date

24 April 2014

Gaucha Acquisitions Limited

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

	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
Interest payable and similar charges	2	(1,231,309)	(1,441,917)
Loss on ordinary activities before taxation		(1,231,309)	(1,441,917)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation		(1,231,309)	(1,441,917)
Loss brought forward		(19,683,422)	(18,241,505)
Loss carried forward		(20,914,731)	(19,683,422)

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 company has not traded during the year. During this period, the company received no income and incurred no expenditure other than exempted payments under the provisions of section 1169 (3)(b) of the Companies Act 2006

**Balance sheet
as at 31 December 2013**

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	4		34,374,634		34,374,634
Current assets					
Debtors	5	20,785,406		20,785,406	
Creditors: amounts falling due within one year	6	(36,365,544)		(33,119,428)	
Net current liabilities			(15,580,138)		(12,334,022)
Total assets less current liabilities			18,794,496		22,040,612
Creditors: amounts falling due after more than one year	7		(22,241,923)		(24,256,730)
Net liabilities			(3,447,427)		(2,216,118)
Capital and reserves					
Called up share capital	8		14,699,702		14,699,702
Other reserves			2,767,602		2,767,602
Profit and loss account			(20,914,731)		(19,683,422)
Shareholders' deficit	9		(3,447,427)		(2,216,118)

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 11 form part of these financial statements

**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 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.

1.5 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.

1.6 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 2013**

2. Interest payable

	2013 £	2012 £
On bank loans and overdrafts	885,565	1,096,173
Release of deferred finance costs	345,744	345,744
	<u>1,231,309</u>	<u>1,441,917</u>

3. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	(1,231,309)	(1,441,917)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(286,279)	(353,270)

Effects of:

Group relief surrendered for no payment	148,449	353,270
Surplus trading losses carried forward	137,830	-

Current tax charge for the year (see note above)

-	-
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4. Fixed asset investments

*Investments in
subsidiary
companies
£*

Cost or valuation

At 1 January 2013 and 31 December 2013	<u>34,374,634</u>
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Net book value

At 31 December 2013	<u>34,374,634</u>
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At 31 December 2012	<u>34,374,634</u>
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**Notes to the financial statements
for the year ended 31 December 2013**

4. Fixed asset investments (continued)

Principal subsidiaries and joint ventures

a. Principal subsidiaries

Company name	Country	Percentage Shareholding	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
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 a subsidiary undertaking

5. Debtors

	2013 £	2012 £
Amounts owed by group undertakings	20,785,406	20,785,406

6. Creditors

Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts (net of deferred finance costs)	559,805	559,805
Amounts owed to group undertakings	35,805,739	32,559,623
	36,365,544	33,119,428

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

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

	2013 £	2012 £
Bank loans	22,241,923	24,256,730
The bank loan due after 1 year is repayable as follows		
	2013 £	2012 £
1 - 2 years	11,120,961	905,550
2 - 5 years	11,120,962	23,696,933
Bank loans > 5 yrs	-	-
Deferred finance costs	-	(345,753)
Total	22,241,923	24,256,730

At the year end the group had total borrowings of £22,801,728 which have been advanced to Gaucha Acquisitions Limited. this is split between £559,805 due within 1 year and £22,241,923 due after 1 year. The loans are stated net of deferred finance costs of £345,745 which are netted against amounts due within 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.

8. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
14,699,702 Equity shares of £1 each	14,699,702	14,699,702

9 Reconciliation of movement in shareholders' deficit

	2013 £	2012 £
Opening shareholders' deficit	(2,216,118)	(774,201)
Loss for the financial year	(1,231,309)	(1,441,917)
Closing shareholders' deficit	(3,447,427)	(2,216,118)

10 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.

Gaucha Acquisitions Limited

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

11. 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

12. Guarantees

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