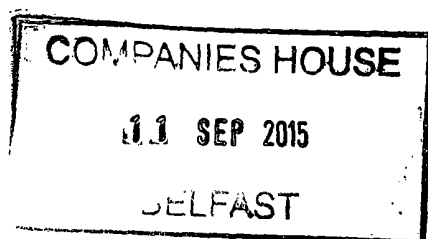


# Gaucha Acquisitions Limited

## Report and Financial Statements

31 December 2014



JNI \*J4FPKSY2\* 11/09/2015 #2  
COMPANIES HOUSE

**Directors**

Z Godik

G Mann

**Secretary**

G Mann

**Auditors**

Ernst & Young LLP

Bedford House

16 Bedford Street

Northern Ireland

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

**Registered Office**

Fourth Floor

7-9 Swallow Street

London W1B 4DE

Registered No. 5869370

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2014.

### Results and dividends

The loss for the year after taxation amounted to £1,915,108 (2013 – loss of £1,231,309). The directors do not recommend a final dividend (2013 – £nil).

### Directors

The directors who served the company during the year were as follows:

Z Godik

G Mann

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Small company exemptions

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.

On behalf of the Board



Gary Mann

Director

Date: 24<sup>th</sup> April 2015

## Statement of directors' responsibilities

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). 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; and
- 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.

# **Independent auditors' report**

## **to the members of Gaucho Acquisitions Limited**

We have audited the financial statements of Gaucho Acquisitions Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement (set out on page 3), 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 2014 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.

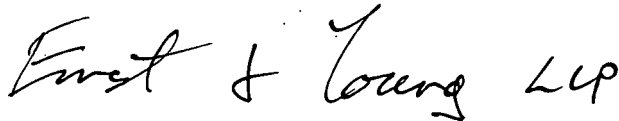
# **Independent auditors' report**

**to the members of Gaucho 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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

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

Date: 29<sup>th</sup> April 2015

## Profit and loss account

for the year ended 31 December 2014

		2014	2013
	Notes	£	£
Administrative expenses		(6,075)	–
Interest payable and similar charges	2	(1,909,033)	(1,231,309)
<b>Loss on ordinary activities before taxation</b>		<b>(1,915,108)</b>	<b>(1,231,309)</b>
Tax	3	–	–
<b>Loss on ordinary activities after taxation</b>	9	<b>(1,915,108)</b>	<b>(1,231,309)</b>
 <b>Loss brought forward</b>		 <b>(20,914,731)</b>	 <b>(19,683,422)</b>
<b>Loss carried forward</b>		<b>(22,829,839)</b>	<b>(20,914,731)</b>

All amounts relate to continuing activities.

## Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,915,108 in the year ended 31 December 2014 (2013 – loss of £1,231,309).

Registered No. 5869370

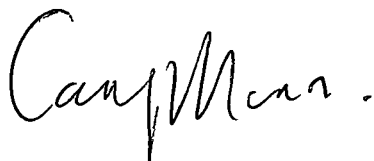
## Balance sheet

at 31 December 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Investments	4	34,374,634	34,374,634
<b>Current assets</b>			
Debtors	5	22,490,417	20,785,406
<b>Creditors: amounts falling due within one year</b>	6	(35,331,881)	(36,365,544)
<b>Net current liabilities</b>		(12,841,464)	(15,580,138)
<b>Total assets less current liabilities</b>		21,533,170	18,794,496
<b>Creditors: amounts falling due after more than one year</b>	7	(26,895,705)	(22,241,923)
<b>Net liabilities</b>		(5,362,535)	(3,447,427)
<b>Capital and reserves</b>			
Called up share capital	8	14,699,702	14,699,702
Other reserves		2,767,602	2,767,602
Profit and loss account		(22,829,839)	(20,914,731)
<b>Shareholders' deficit</b>	9	(5,362,535)	(3,447,427)

### Small company exemptions

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.



Gary Mann

Director

Date: 24<sup>th</sup> April 2015



# Notes to the financial statements

at 31 December 2014

## 1. Accounting policies

### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

### *Going Concern*

The Company's balance sheet indicates an excess of current and total liabilities over current and total assets.

The directors have prepared the financial statements on the going concern basis as the intercompany loans will not be sought for repayment in the immediate future and the company is supported by its ultimate parent company, Gaucho Holdings Limited.

### *Group Financial Statements*

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

### *Statement of cash flows*

The company, being a wholly owned subsidiary controlled within the group whose group financial statements are publicly available, is exempt from the requirement to draw up a statement of cash flows in accordance with FRS 1.

### *Investments*

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

### *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.

### *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. Interest payable and similar charges

	2014	2013
	£	£
Bank loans and overdrafts	1,389,034	885,565
Release of deferred finance costs	519,999	345,744
	<u>1,909,033</u>	<u>1,231,309</u>

## Notes to the financial statements

at 31 December 2014

### 3. Tax

(a) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(1,915,108)</u>	<u>(1,231,309)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	(411,748)	(286,279)
<i>Effects of:</i>		
Group relief surrendered for no payment	411,748	148,449
Surplus trading losses carried forward	–	137,830
Current tax for the year	<u>–</u>	<u>–</u>

### 4. Investments

	<i>Investments in subsidiary companies £</i>
<b>Cost:</b>	
At 31 December 2013 and 31 December 2014	<u>34,374,634</u>
<b>Net book value:</b>	
At 31 December 2013 and 31 December 2014	<u>34,374,634</u>

## Notes to the financial statements

at 31 December 2014

### 4. Investments (continued)

#### Principal subsidiaries and joint ventures

##### Principal subsidiaries

<i>Company name</i>	<i>Country</i>	<i>Percentage shareholding</i>	<i>Description</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
Gaucho International ME Limited*	UAE	100%	Holding company
Gioma (UK) Limited*	England	100%	Restaurateur
Lundi Finance BV*	Netherlands	100%	Restaurateur
Gaucho Lebanon SARL*	Lebanon	100%	Restaurateur
CAU Restaurants Limited*	England	100%	Restaurateur
Gaucho (Dubai) LLC*	UAE	100%	Restaurateur
Thelonious SA*	Argentina	50%	Restaurateur

\* held by a subsidiary undertaking

### 5. Debtors

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Shareholder loan (note 10)	1,200,000	–
Corporation tax receivable	300,000	–
Prepayments	205,011	–
Amounts owed by group undertakings	20,785,406	20,785,406
	<u>22,490,417</u>	<u>20,785,406</u>

### 6. Creditors: amounts falling due within one year

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Corporation tax payable	300,000	–
Amounts owed to group undertakings	33,967,880	35,805,739
Bank loans	1,350,000	905,558
Less: Issue costs deferred	(285,999)	(345,753)
	<u>35,331,881</u>	<u>36,365,544</u>

## Notes to the financial statements

at 31 December 2014

### 7. Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Bank loans	<u>26,895,705</u>	<u>22,241,923</u>

During the year the company renewed their banking facilities. The new facility has the following characteristics:

The bank loan due after 1 year is repayable as follows:

	2014	2013
	£	£
Within one to two years	2,205,000	11,120,961
In two to five years	25,650,000	11,120,962
Less: Issue costs deferred	(959,295)	–
	<u>26,895,705</u>	<u>22,241,923</u>

At the year end the group had total borrowings of £27,959,706 which have been advanced to Gaucho Acquisitions Limited, this is split between £1,064,001 due within 1 year and £26,895,705 due after 1 year. The loans are stated net of deferred finance costs of £1,245,294 which are netted against amounts due within 1 year and after 1 year respectively. 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 4.5% and 5% dependent on the facility.

The Company entered in to an interest rate cap to hedge the variable rate of interest payable on a portion of the Company's borrowings. The interest rate cap ensures that the Company's interest payments are capped at a set strike rate for the duration of the three year term. The interest rate cap requires the payment of a premium during the term of the product. In accordance with UK GAAP the interest rate cap has not been fair valued.

### 8. Issued share capital

		2014		2013
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	14,699,702	<u>14,699,702</u>	14,699,702	<u>14,699,702</u>

### 9. Reconciliation of shareholders' funds and movements on reserves

	2014	2013
	£	£
At 1 January 2014	(3,447,427)	(2,216,118)
Loss for the year	<u>(1,915,108)</u>	<u>(1,231,309)</u>
At 31 December 2014	<u>(5,362,535)</u>	<u>(3,447,427)</u>

## Notes to the financial statements

at 31 December 2014

### 10. Related party transactions

The company has taken advantage of the exemption granted by paragraph 3(c) of the FRS 8 not to disclose related party transactions with other wholly owned group companies.

During the year a loan of £1,200,000 was made to Zeev Godik, a director of the company. The loan is repayable at any time within the 3 year maximum loan term at which date the loan must be repaid in full. Interest is applied at 12.5% per annum.

### 11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Gaucho Group Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Gaucho Holdings Limited, a company incorporated in England and Wales.

Copies of the financial statements of Gaucho 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.