



FOR IMMEDIATE RELEASE

27 FEBRUARY 2001

## GIOMA RESTAURANTS PLC

### PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000

#### FINANCIAL HIGHLIGHTS

- Turnover £24.3m (1999 - £7.8m)
- Profit before tax (before goodwill) £2.6m (1999 - £0.8m) \*
- Profit before tax £1.9m (1999 - £0.6m)
- Earnings per share (before goodwill) 2.91p (1999 - 2.38p) \*
- Earnings per share 1.79p (1999 - 1.32p)
- 36 restaurants currently trading (1999 - 29 units)
- Pipeline of 9 new restaurant sites secured

\* Adjusted according to UITF Abstract 24. Profit before tax and earnings per share (before goodwill) for 2000 would have been £2.9m and 3.19p respectively.

**Zeev Godik, Chairman and Chief Executive said:**

**"Last year was one of major achievement for Gioma. Our two concepts, Gaucho Grill and Down Mexico Way, continue to be well received in our three markets (UK, The Netherlands and Switzerland) and our expansion plans are on track for our target of 60 restaurants in these countries by the end of 2002."**

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## **GIOMA RESTAURANTS PLC CHAIRMAN'S STATEMENT**

I am pleased to report that the year to 31 December 2000 has been a successful one with the company's ambitious earnings and expansion plans continuing to materialise.

Gioma Restaurants plc is the UK's only pan-European themed restaurant group with 40% of trading revenues in the UK, 34% in the Netherlands and 26% in Switzerland.

The company has increased the number of restaurants from 29 in 1999 to 36 restaurants currently operating in 3 countries, 8 (5) in the UK, 21 (17) in the Netherlands and 7 (7) in Switzerland. The company remains focused on two distinct brands: The Gaucho Grill - Argentinian style restaurants (33) and Down Mexico Way - Latin style restaurant/bar (3).

### **Results**

Turnover increased to £24.3m (1999 - £7.8m) for the year ended 31 December 2000. Profit before tax grew to £1.9m (1999 - £0.6m) and profit before tax pre-goodwill amortisation increased to £2.6m (1999 - £0.8m). Earnings per share rose to 1.79p (1999 - 1.32p) based on the average number of shares in issue throughout the year. Excluding amortisation of goodwill, EPS was 2.91p (1999 - 2.38p).

Sales for 2000 increased 213%, reflecting full year sales of the restaurants acquired in the Netherlands and Switzerland, positive like for like sales of the existing restaurants and strong start up sales from new restaurant openings.

In accordance with UITF Abstract 24, which was issued during the year, the company has changed its accounting policy for pre-opening expenses for new investments and has written these off as incurred. Our previous policy was to amortise these costs over 12 months following completion of the investment. The historical financials have been restated to reflect the new policy. The impact of the policy on current year profit before tax and EPS is a reduction of £0.3m and 0.28p. (1999 - £0.3m and 1.10p).

The company had £3.6m cash at year-end and its cash generation from operations is strong. The company plans to invest this in new restaurants in the year 2001 and will utilise bank facilities and internal cash flow to finance further expansion.

Since the company plans to utilise cash for expansion, dividends will not be declared in the short term in line with previous dividend policy.

### **The Gaucho Grill**

The Gaucho Grill concept offers high quality Argentinian beef marketed as "The Ultimate Steak from Argentina", together with other grills and authentic Argentinian dishes and wines, in a modern and cosmopolitan environment decorated with an Argentinian influence. The average restaurant size is 120 covers. The concept is derived from the original Argentinian cowboy or "Gaucho" traditions of cooking fresh meat over charcoal grills, which are placed visibly in the restaurant.

Currently, there are 33 Gaucho Grills in our 3 markets, 7 in the UK, 20 in the Netherlands and 6 in Switzerland.

**GIOMA RESTAURANTS PLC**  
**CHAIRMAN'S STATEMENT** (continued)

**Down Mexico Way ("DMW")**

The Down Mexico Way concept, marketed as "The Best Latin Night Out", combines a Latin theme restaurant with live music and dancing and enjoys a late night licence until 3 am. The concept was developed with the objective of providing authentic high quality Latin food and drink with live music and dancing to prolong the customer's visit. DMW restaurants require larger sites of approximately 7,000 square feet or higher.

Currently one DMW restaurant operates in each of our markets: in the UK, Piccadilly Circus, in Switzerland, Zurich and in The Netherlands, Utrecht.

**Estate development**

The company has successfully increased the number of restaurant sites from 29 at the end of 1999 to 36 currently and has 9 additional new sites under development.

Three new restaurants were opened in the UK (Sloane Avenue, Canary Wharf and Manchester) and four in The Netherlands (Rotterdam, Amsterdam (2), and Utrecht).

In addition, several major investments have been initiated to increase revenues at existing restaurants. In the Netherlands, a central Amsterdam site was completely renovated, doubling its seating capacity and in Arnhem the restaurant was relocated to a larger central site. In Switzerland the company's largest Argentinian restaurant in Zurich was completely renovated.

The planned expansion program for 2001 will be even more exciting than 2000 and we are currently working on 9 new sites. Gaucho Grill concept restaurants are scheduled to open in the UK in London (Covent Garden and Chancery Lane); in Edinburgh, in The Netherlands (Groningen and Den Bosch) and in Switzerland (Zurich and Winterthur). Down Mexico Way restaurants are scheduled to open in Rotterdam and Manchester. Major renovations include Eindhoven in The Netherlands where the restaurant will be moved to a larger site to allow for much needed additional capacity.

As the company now has a strongly established base in the UK, Switzerland and The Netherlands, the short-term investment plans will concentrate primarily on generating the highest returns in these markets.

The company's expansion program has been financed through a combination of existing cash and operating cash flow. The company has not relied on bank borrowing with the exception of Down Mexico Way in Switzerland where the freehold was acquired and the borrowing rates are very favourable.

Our planned investment spend in 2001 will be approximately £7.1m. We continue to seek additional sites for the Gaucho Grill and DMW concepts in our three markets.

**Gioma Restaurants plc Board**

The company has a strong and experienced team to lead the business and achieve our growth objectives. I am Chairman and Chief Executive and founder of the Gioma Restaurant group of companies. Steven Van Tongeren is Finance Director and has extensive experience with well-known public companies.

**GIOMA RESTAURANTS PLC**  
**CHAIRMAN'S STATEMENT** (continued)

Jan Geenemans joined the Board this year and has over 15 years experience with Gioma and the restaurant industry.

The Non-Executive Directors bring a wide range of experience. Nicola K C Horlick is currently managing director of the UK asset management subsidiary of Société Générale, and David C Ritchie has held a variety of directorships in investment management companies and trusts. Leonard Lewis is the founder and former Chief Executive of River Island, the fashion clothing group. David Davenport has retired from the Board in year 2000 after many years of invaluable assistance.

**Current trading**

UK performance continues positive in line with management expectations. There is inevitable concern among European consumers with regard to BSE, which has caused a reduction in the overall consumption of European beef. However, all our beef is imported from Argentina where beef cattle are grass fed and free range. We do not, therefore, anticipate that our business will be materially affected.

**Future prospects**

We believe that our restaurant concepts have considerable expansion potential and can generate the returns on investment that will further improve shareholder value. An experienced management team is in place to carry out these plans. We are aggressively seeking additional opportunities to open new sites beyond our stated organic rollout program.

**Zeev Godik**

*Chairman and Chief Executive*

27 February 2001

**GIOMA RESTAURANTS PLC  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	As restated 1999 £
<b>Turnover</b>	<b>2</b>	24,311,688	7,777,269
Cost of sales		(14,672,007)	(4,388,945)
<b>Gross profit</b>		<u>9,639,681</u>	<u>3,388,324</u>
Administrative expenses		(6,561,191)	(2,411,650)
Other operating income		60,218	36,774
<b>Operating profit before amortisation of goodwill and pre-opening expenses</b>		<u>3,138,708</u>	<u>1,013,448</u>
Amortisation of goodwill		(738,185)	(258,176)
Pre-opening expenses		(777,639)	(333,118)
<b>Operating profit</b>	<b>3</b>	<u>1,622,884</u>	<u>422,154</u>
Interest receivable and similar income	<b>4</b>	340,019	136,122
Interest payable and similar charges	<b>5</b>	(99,827)	(7,195)
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<u>1,863,076</u>	<u>551,081</u>
Tax on profit on ordinary activities	<b>7</b>	(679,661)	(227,921)
<b>Profit attributable to members of the parent company</b>	<b>8</b>	<u>1,183,415</u>	<u>323,160</u>
Dividends (including non-equity)	<b>9</b>	-	(581)
<b>Retained profit for the year</b>	<b>21</b>	<u>1,183,415</u>	<u>322,579</u>
<b>Earnings per share</b>	<b>10</b>	<u>1.79p</u>	<u>1.32p</u>
<b>Restated earnings per share before allowing for the amortisation of goodwill</b>	<b>10</b>	<u>2.91p</u>	<u>2.38p</u>

All activities relate to continuing operations.

The notes on pages 10 to 28 form part of these financial statements.

**GIOMA RESTAURANTS PLC**  
**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	<b>2000</b>	<b>As restated</b>
	<b>£</b>	<b>1999</b>
		<b>£</b>
<b>Profit attributable to members of the parent company</b>	1,183,415	323,160
Exchange (loss)/gain on retranslation of net assets of subsidiary undertakings	(333,983)	161,739
<b>Total recognised gains and losses for the year</b>	<u>849,432</u>	<u>484,899</u>
Prior year adjustment (as explained in note 21)	(362,498)	
<b>Total recognised gains and losses recognised since last annual report</b>	<u>486,934</u>	

The notes on pages 10 to 28 form part of these financial statements.

**GIOMA RESTAURANTS PLC**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2000**

	Notes	2000 £	As restated 1999 £
<b>Fixed assets</b>			
Intangible assets	11	13,676,227	14,414,412
Tangible assets	12	21,872,937	13,239,590
Investments	13	18,480	18,480
		<u>35,567,644</u>	<u>27,672,482</u>
<b>Current assets</b>			
Stocks	14	609,888	488,443
Debtors	15	1,566,849	1,186,164
Investments	16	-	151,500
Cash at bank and in hand		3,558,606	10,044,589
		<u>5,735,343</u>	<u>11,870,696</u>
<b>Creditors: amounts falling due within one year</b>	17	(6,355,960)	(5,480,287)
		<u>(620,617)</u>	<u>6,390,409</u>
<b>Net current (liabilities)/assets</b>			
<b>Total assets less current liabilities</b>		34,947,027	34,062,891
<b>Creditors: amounts falling due after more than one year</b>	17	(891,598)	(852,746)
<b>Provisions for liabilities and charges</b>	18	(787,910)	(792,058)
<b>Net assets</b>		<u>33,267,519</u>	<u>32,418,087</u>
<b>Capital and reserves</b>			
Called up share capital	20	6,593,209	6,593,209
Share premium account	21	23,082,856	23,082,856
Capital redemption reserve	21	1,731,195	1,731,195
Other capital reserves	21	312,862	312,862
Profit and loss account	21	1,547,397	697,965
<b>Shareholders' funds - equity interests</b>	22	<u>33,267,519</u>	<u>32,418,087</u>

Approved by the board on 27 February 2001

**Z Godik**  
*Director*

**S P Van Tongeren**  
*Director*

The notes on pages 10 to 28 form part of these financial statements.

**GIOMA RESTAURANTS PLC  
COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2000**

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	12	20,220	-
Investments	13	22,428,176	22,428,176
		<u>22,448,396</u>	<u>22,428,176</u>
<b>Current assets</b>			
Debtors	15	7,443,536	1,169,469
Cash at bank and in hand		1,992,655	8,215,425
		<u>9,436,191</u>	<u>9,384,894</u>
<b>Creditors: amounts falling due within one year</b>	17	(42,470)	(77,270)
<b>Net current assets</b>		<u>9,393,721</u>	<u>9,307,624</u>
<b>Net assets</b>		<u>31,842,117</u>	<u>31,735,800</u>
<b>Capital and reserves</b>			
Called up share capital	20	6,593,209	6,593,209
Share premium account	21	23,082,856	23,082,856
Capital redemption reserve	21	1,731,195	1,731,195
Other capital reserves	21	312,862	312,862
Profit and loss account	21	121,995	15,678
<b>Shareholders' funds - equity interests</b>		<u>31,842,117</u>	<u>31,735,800</u>

Approved by the board on 27 February 2001

**Z Godik**  
*Director*

**S P Van Tongeren**  
*Director*

The notes on pages 10 to 28 form part of these financial statements.



**GIOMA RESTAURANTS PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
<b>Net cash inflow from operating activities</b>	<b>23</b>	3,005,684	3,917,528
Returns on investments and servicing of finance	<b>24</b>	270,650	128,349
Taxation	<b>24</b>	(355,906)	(60,597)
Capital expenditure and financial investment	<b>24</b>	(9,591,271)	(4,391,314)
Acquisitions and disposals	<b>24</b>	-	161,316
<b>Net cash outflow before use of liquid resources and financing</b>		<u>(6,670,843)</u>	<u>(244,718)</u>
Management of liquid resources	<b>24</b>	6,200,000	(6,000,000)
Financing	<b>24</b>	272,076	7,778,742
<b>(Decrease)/increase in cash in the year</b>		<u>(198,767)</u>	<u>1,534,024</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/increase in cash in the year		(198,767)	1,534,024
Cash inflow from increase in debt financing		(272,076)	(309,875)
Cash (inflow)/outflow from (decrease)/increase in liquid resources		<u>(6,200,000)</u>	<u>6,000,000</u>
Change in net funds resulting from cash flows		(6,670,843)	7,224,149
Exchange (loss)/gain on translation		(110,720)	154,552
Net funds at 1 January 2000		8,494,768	1,116,067
Net funds at 31 December 2000	<b>25</b>	<u>1,713,205</u>	<u>8,494,768</u>

The notes on pages 10 to 28 form part of these financial statements.

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**1 Accounting policies**

**a Accounting convention**

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

**b Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings from the effective date of acquisition to the date of disposal, made up to 31 December each year.

**c Turnover**

Turnover comprises revenue, excluding VAT where applicable, generated by the subsidiary undertakings from their activities in operating licensed restaurants.

**d Pre-opening expenses**

Pre-opening expenses comprising expenditure incurred in the creation and marketing of new restaurants were previously carried forward as a prepayment prior to opening. They were then written-off to the profit and loss account on a straight-line basis over the twelve-month period following the commencement of trade.

In accordance with UITF Abstract 24, which was issued during the year, the group has changed its accounting policy to write-off pre-opening expenses as incurred. This has been treated as a prior year adjustment and is disclosed in note 21.

**e Goodwill**

Goodwill arising on consolidation, being the excess of the fair value of consideration paid over the fair value of net assets acquired, is capitalised and amortised in equal annual instalments over its useful life of twenty years.

**f Tangible fixed assets**

Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Long leasehold property and improvements	2% per annum
Short leasehold property and improvements	
UK subsidiaries	Over the term of the lease
Overseas subsidiaries	2% per annum
Furniture, fixtures, fittings and equipment	8% - 20% per annum
Motor vehicles	30% per annum

**g Stocks**

Stocks are stated at the lower of cost and net realisable value.

**h Leases**

Operating lease rentals are charged to the profit and loss account in equal annual instalments over the lease term.

**i Foreign currency**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to reserves and profit and loss account as appropriate.

The profit and loss accounts of overseas subsidiary undertakings are translated at the average rate of exchange ruling for the year and the balance sheets at the rate ruling at the balance sheet date. The exchange difference arising

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

on the retranslation of opening net assets and on retranslation of the results for the year to the rate ruling at the balance sheet date are taken directly to reserves. All other translation differences are taken to the profit and loss account.

**j Pension costs**

The group pays contributions to employees' personal pension schemes. The charge in the accounts represents amounts paid in the year.

**k Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on the timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

**2 Turnover and segmental analysis**

The group's results and net assets all relate to operating restaurants. An analysis of these results and net assets by geographical area is as follows:

	<b>2000</b>	<b>Turnover</b>	<b>As restated</b>		<b>2000</b>	<b>As restated</b>
	<b>£</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>	<b>£</b>	<b>Net assets</b>
		<b>£</b>	<b>£</b>	<b>£</b>		<b>1999</b>
				<b>£</b>		<b>£</b>
United Kingdom	9,995,149	6,294,729	1,651,719	461,919	18,186,315	16,824,298
Switzerland	6,252,592	722,088	(107,647)	41,438	4,340,134	4,797,583
The Netherlands	8,063,947	760,452	319,004	47,724	10,741,070	10,796,206
	<u>24,311,688</u>	<u>7,777,269</u>	<u>1,863,076</u>	<u>551,081</u>	<u>33,267,519</u>	<u>32,418,087</u>

**3 Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2000</b>	<b>As restated</b>
	<b>£</b>	<b>1999</b>
		<b>£</b>
Amortisation of goodwill	738,185	258,176
Depreciation of tangible fixed assets	960,045	348,719
(Profit)/loss on disposal of tangible fixed assets	(7,889)	7,609
Pre-opening expenditure	777,639	333,118
Operating lease rentals for land and buildings	1,633,137	532,639
Auditors remuneration:		
Audit	34,260	28,811
Other services	19,000	9,846
(Profit)/loss on foreign exchange	(160,657)	54,498
Rents receivable	<u>(60,218)</u>	<u>(36,774)</u>

**4 Interest receivable and similar income**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Bank interest	322,112	95,080
Interest from ultimate parent company	17,907	38,563
Other interest	-	2,479
	<u>340,019</u>	<u>136,122</u>

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

**5 Interest payable and similar charges**

	<b>2000</b>	<b>1999</b>
	£	£
Bank loans and overdrafts	84,393	7,195
Interest to ultimate parent company	15,434	-
	<u>99,827</u>	<u>7,195</u>

Interest payable of £nil (1999 - £96,515) has been capitalised under long leasehold property and improvements.

**6 Staff costs**

	<b>2000</b>	<b>1999</b>
	£	£
Wages and salaries	7,710,400	2,062,912
Social security costs	784,437	180,462
Other pension costs	115,328	6,216
	<u>8,610,165</u>	<u>2,249,590</u>

The average number of employees during the year was as follows:

	<b>2000</b>	<b>1999</b>
	No	No
Restaurant staff	435	141
Administrative staff	21	8
	<u>456</u>	<u>149</u>

**7 Tax on profit on ordinary activities**

	<b>2000</b>	<b>1999</b>
	£	£
The taxation charge comprises:		
UK corporation tax charge at 30% (1999 - 30%)	370,000	180,000
Overseas taxation	325,876	73,751
Deferred tax (note 18)	(4,148)	1,170
	<u>691,728</u>	<u>254,921</u>
Prior year adjustment	(12,067)	(27,000)
	<u>679,661</u>	<u>227,921</u>

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

**8 Profit attributable to members of the parent company**

	<b>2000</b>	<b>1999</b>
	£	£
Dealt with in the accounts of the parent company	106,317	8,836
Retained by the subsidiary undertakings	1,077,098	314,324
	<u>1,183,415</u>	<u>323,160</u>

A separate profit and loss account for the parent company has not been presented as permitted by section 230 of the Companies Act 1985.

**9 Dividends**

	<b>2000</b>	<b>1999</b>
	£	£
<b>Preference</b>		
Dividend paid	<u>-</u>	<u>581</u>

**10 Earnings per share**

Earnings per share is based on profits of £1,183,415 (1999 - £322,579) and on the average number of shares in issue throughout the year of 65,932,094 (1999 - 24,387,486).

Restated earnings per share before allowing for the amortisation of goodwill is based on profits of £1,921,600 (1999 - £580,755) and on the same average number of shares in issue throughout the year as shown above.

**11 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 January 2000 and 31 December 2000	<u>14,763,702</u>
<b>Amortisation</b>	
At 1 January 2000 and 31 December 2000	349,290
Charge for the year	738,185
At 31 December 2000	<u>1,087,475</u>
<b>Net book value</b>	
At 31 December 2000	<u>13,676,227</u>
At 31 December 1999	<u>14,414,412</u>

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

**12 Tangible fixed assets**

<b>Group</b>	<b>Long-term leasehold property and improvements</b>	<b>Short-term leasehold property and improvements</b>	<b>Furniture, fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 January 2000	2,603,349	10,000,164	8,319,978	-	20,923,491
Additions	411,474	5,334,556	4,098,095	24,000	9,868,125
Disposals	-	(749,294)	(390,753)	-	(1,140,047)
At 31 December 2000	<u>3,014,823</u>	<u>14,585,426</u>	<u>12,027,320</u>	<u>24,000</u>	<u>29,651,569</u>
<b>Depreciation</b>					
At 1 January 2000	2,335	4,004,764	3,676,802	-	7,683,901
Charge for the year	57,168	255,496	643,601	3,780	960,045
Disposals	-	(598,485)	(266,829)	-	(865,314)
At 31 December 2000	<u>59,503</u>	<u>3,661,775</u>	<u>4,053,574</u>	<u>3,780</u>	<u>7,778,632</u>
<b>Net book value</b>					
At 31 December 2000	<u>2,955,320</u>	<u>10,923,651</u>	<u>7,973,746</u>	<u>20,220</u>	<u>21,872,937</u>
At 31 December 1999	<u>2,601,014</u>	<u>5,995,400</u>	<u>4,643,176</u>	<u>-</u>	<u>13,239,590</u>
<b>Company</b>				<b>Motor vehicles</b>	
				<b>£</b>	
<b>Cost</b>					
Additions					24,000
At 31 December 2000					<u>24,000</u>
<b>Depreciation</b>					
Charge for the year					3,780
At 31 December 2000					<u>3,780</u>
<b>Net book value</b>					
At 31 December 2000					<u>20,220</u>

**GIOMA RESTAURANTS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

**13 Fixed asset investments**

<b>Group</b>	<b>Unlisted £</b>	<b>Total £</b>	
<b>Cost</b>			
At 1 January 2000 and 31 December 2000	<u>18,480</u>	<u>18,480</u>	
<b>Company</b>	<b>Unlisted £</b>	<b>Shares in subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2000 and 31 December 2000	<u>18,480</u>	<u>22,409,696</u>	<u>22,428,176</u>

Details of the company's subsidiary undertakings are as follows:

<b>Name of company</b>	<b>Country of registration and of operation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Nature of business</b>
Gioma (UK) Limited	England	Ordinary shares	100%	Restaurateur
Down Mexico Way Im Strohhof AG	Switzerland	Ordinary shares	100%	Restaurateur
Churrasco Steakhouse AG	Switzerland	Ordinary shares	100%	Restaurateur
Gauchos Nederland BV	The Netherlands	Ordinary shares	100%	Restaurateur
Ceycon Securities Limited	England	Ordinary shares	100%	Dormant

Gauchos Nederland BV is itself a group, with its restaurants operating in a number of wholly owned subsidiary companies.

All of the subsidiary undertakings are included in the consolidated financial statements.

**14 Stocks**

	<b>2000 £</b>	<b>Group 1999 £</b>
Raw materials	346,847	324,132
Finished goods	263,041	164,311
	<u>609,888</u>	<u>488,443</u>



**GIOMA RESTAURANTS PLC**  
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**FOR THE YEAR ENDED 31 DECEMBER 2000** (continued)

**15 Debtors**

	<b>2000</b>	<b>As restated</b>		<b>Company</b>
	<b>£</b>	<b>Group</b>	<b>2000</b>	<b>1999</b>
		<b>1999</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
Trade debtors	410,703	474,029	-	-
Amounts owed by ultimate parent company	105,772	89,580	-	-
Amounts owed by subsidiary undertakings	-	-	7,425,676	1,076,796
Amounts owed by other group undertakings	11,021	-	-	-
Taxation recoverable	8,748	8,748	8,748	8,748
Other debtors	572,966	348,977	-	47,564
Other prepayments and accrued income	457,639	264,830	9,112	36,361
	<u>1,566,849</u>	<u>1,186,164</u>	<u>7,443,536</u>	<u>1,169,469</u>

**16 Current asset investments**

	<b>2000</b>	<b>Group</b>
	<b>£</b>	<b>1999</b>
		<b>£</b>
Operating restaurant held for resale	<u>-</u>	<u>151,500</u>

**GIOMA RESTAURANTS PLC**  
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**17 Creditors**

**Amounts falling due within one year:**

	<b>2000</b>	<b>Group</b>	<b>2000</b>	<b>Company</b>
	<b>£</b>	<b>1999</b>	<b>£</b>	<b>1999</b>
		<b>£</b>		<b>£</b>
Bank loans and overdrafts	953,803	598,501	-	-
Other loan	-	98,574	-	-
Trade creditors	2,848,925	2,290,141	-	-
Amounts owed to ultimate parent company	172,691	485,211	-	-
Amounts owed to subsidiary undertakings	-	-	-	8,928
Amounts owed to other group undertakings	35,721	128,811	-	-
Corporation tax payable	1,031,196	712,786	-	-
Other creditors including taxation and social security	649,815	694,890	12,470	-
Accruals and deferred income	663,809	471,373	30,000	68,342
	<u>6,355,960</u>	<u>5,480,287</u>	<u>42,470</u>	<u>77,270</u>

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

	<b>2000</b>	<b>Group</b>
	<b>£</b>	<b>1999</b>
		<b>£</b>
Bank loan	<u>891,598</u>	<u>852,746</u>

**GIOMA RESTAURANTS PLC**  
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**17 Creditors**

The bank loans and overdrafts are secured by the following:

- A fixed charge over the long leasehold property of Down Mexico Way Im Strohhof AG.
- Custody of the share certificates of Down Mexico Way Im Strohhof AG.
- A letter of guarantee from Gioma Restaurants plc.
- Subordination of group inter-company loans of 1,000,000 Swiss Francs, equivalent to £414,697 at 31 December 2000.

The other loan was secured by a letter of guarantee from Gioma Restaurants plc.

The following creditors are repayable by instalments falling due after five years:

	<b>2000</b>	<b>Group</b>
	£	1999
		£
Bank loan	<u>559,841</u>	<u>542,654</u>

The bank loan is repayable by quarterly instalments over twelve years. Repayment commenced on 31 December 2000. The interest rate on this loan is fixed at 3.8% until 15 January 2002.

Total loans are repayable as follows:

	<b>2000</b>	<b>Group</b>
	£	1999
		£
Within one year	953,803	697,075
Within one to two years	82,939	77,523
Within two to five years	248,818	232,569
After more than five years	559,841	542,654
	<u>1,845,401</u>	<u>1,549,821</u>

**GIOMA RESTAURANTS PLC**  
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**18 Provisions for liabilities and charges**

<b>Deferred taxation</b>	<b>Provided 2000 £</b>	<b>Group Not provided 2000 £</b>	<b>Provided 1999 £</b>	<b>Group Not provided 1999 £</b>
Capital allowances in advance of depreciation	<u>787,910</u>	<u>453,073</u>	<u>792,058</u>	<u>339,947</u>

The movement in the group provision is as follows:

	<b>2000 £</b>	<b>Group 1999 £</b>
At 1 January 2000	792,058	-
Acquisition of subsidiary undertakings	-	790,888
Charge for the year (note 7)	(4,148)	1,170
At 31 December 2000	<u>787,910</u>	<u>792,058</u>

**GIOMA RESTAURANTS PLC**  
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**19 Financial instruments**

**Policy**

The main financial instruments of the group comprise cash, short-term deposits and short and long-term loans. Their principal purpose is to provide an appropriate level of resources to enable the Board to pursue its ambitious goals. These goals are explained in detail in the Chairman's Statement on pages 2 and 3.

The group's activities produce both trade debtors and trade creditors. These are short term in nature and have been excluded from the disclosures set out below.

Year-end cash deposits comprise current accounts and amounts placed on deposit. All such deposits are short term and have maturity dates within one month of the year-end.

The group's overseas subsidiaries maintain current accounts in the currency of their country of operation. These are Dutch Guilders and Swiss Francs. The group also has Sterling current accounts and its deposits are all denominated in Sterling. These funds are held in Sterling to meet the financing needs of the ongoing expansion in the United Kingdom.

The main risks arising from the financial instruments of the group are interest rate risk and foreign currency risk. The group has borrowings through its Swiss subsidiary, which are denominated in Swiss Francs. These funds have been used to develop restaurant operations in Switzerland. The debt has been structured so as to periodically fix rates of interest.

As a result of the Swiss borrowings the group is exposed to movements in the exchange rate between Sterling and the Swiss Franc.

**Interest rate and currency risks**

**Financial assets**

At 31 December 2000 the company had cash deposits earning interest as follows:

	<b>Cash deposits 2000</b>	<b>Annual interest rate 2000</b>	<b>Fixed until maturity 2000</b>	<b>Cash deposits 1999</b>	<b>Annual interest rate 1999</b>	<b>Fixed until maturity 1999</b>
	<b>£</b>	<b>%</b>		<b>£</b>	<b>%</b>	
Sterling	1,500,000	5.875	04/01/2001	7,000,000	5.50	12/01/2000
Sterling	-			700,000	1.31	04/01/2000
	<u>1,500,000</u>			<u>7,700,000</u>		

**GIOMA RESTAURANTS PLC**  
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**Financial liabilities**

The group's interest rate and currency profile at 31 December 2000 was as follows:

	<b>Fixed rate borrowings 2000 £</b>	<b>Floating rate borrowings 2000 £</b>	<b>Total 2000 £</b>	<b>Fixed rate borrowings 1999 £</b>	<b>Floating rate borrowings 1999 £</b>	<b>Total 1999 £</b>
Swiss Francs	<u>1,845,401</u>	-	<u>1,845,401</u>	<u>1,028,842</u>	<u>520,979</u>	<u>1,549,821</u>

The weighted average interest rate of the fixed rate financial liabilities is 4.37% (1999 - 4.15%).

The weighted average period for which interest rates are fixed on the fixed rate financial liabilities is 12 months (1999 - 23 months).

The fair value of the group's financial assets and liabilities are not considered to be materially different from those stated above.

**GIOMA RESTAURANTS PLC**  
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**20 Called up share capital**

	<b>2000</b>	<b>Authorised</b>	<b>1999</b>	<b>Authorised</b>
	<b>No</b>	<b>2000</b>	<b>No</b>	<b>1999</b>
		<b>£</b>		<b>£</b>
<b>Equity shares</b>				
Ordinary shares of 10p each	89,000,000	8,900,000	89,000,000	8,900,000
<b>Non-equity shares</b>				
6.25% cumulative redeemable preference shares of 35p each	6,160,000	2,156,000	6,160,000	2,156,000
	<u>95,160,000</u>	<u>11,056,000</u>	<u>95,160,000</u>	<u>11,056,000</u>

<b>Equity shares</b>	<b>Allotted, called up and fully paid</b>	
<b>Ordinary shares of 10p each</b>	<b>No</b>	<b>£</b>
At 1 January 2000 and 31 December 2000	<u>65,932,094</u>	<u>6,593,209</u>

The company has a policy of issuing share options to key management and staff. The majority of these are performance related. At 31 December 2000 share options to subscribe for ordinary shares of 10p each under the following schemes were outstanding:

	<b>Number</b>	<b>Exercise price</b>	<b>Period within which options are exercisable</b>
<b>Approved Share Option Scheme</b>			
Granted 4 June 1999	28,571	52.5p	04/06/2002 - 04/06/2009
Granted 13 April 2000	518,000	40.0p	13/04/2003 - 13/04/2010
Granted 28 September 2000	150,000	35.5p	28/09/2003 - 28/09/2010
<b>Unapproved Share Option Scheme</b>			
Granted 25 November 1999	600,000	50.0p	25/11/2002 - 25/11/2009
	<u>1,296,571</u>		

**GIOMA RESTAURANTS PLC**  
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**21 Reserves**

<b>Group</b>	<b>Share premium account £</b>	<b>Capital redemption reserve £</b>	<b>Other capital reserves £</b>	<b>Profit and loss account £</b>
At 1 January 2000 - as previously reported	23,082,856	1,731,195	312,862	1,060,463
Prior year adjustment	-	-	-	(362,498)
At 1 January 2000 - as restated	<u>23,082,856</u>	<u>1,731,195</u>	<u>312,862</u>	<u>697,965</u>
Exchange loss	-	-	-	(333,983)
Retained profit for the year	-	-	-	1,183,415
At 31 December 2000	<u>23,082,856</u>	<u>1,731,195</u>	<u>312,862</u>	<u>1,547,397</u>
<b>Company</b>	<b>Share premium account £</b>	<b>Capital redemption reserve £</b>	<b>Other capital reserves £</b>	<b>Profit and loss account £</b>
At 1 January 2000	23,082,856	1,731,195	312,862	15,678
Retained profit for the year	-	-	-	106,317
At 31 December 2000	<u>23,082,856</u>	<u>1,731,195</u>	<u>312,862</u>	<u>121,995</u>

**Prior year adjustment**

As described in note 1, the group has changed its accounting policy for pre-opening expenses to write-off these costs as incurred, in accordance with UITF Abstract 24. As a result of this change, the Group profit and loss account reserve as at 31 December 1999 has been adjusted by a write-off of £362,498. The comparative for debtors has also been decreased by the same amount by eliminating the pre-opening expenses prepayment.

The impact of this change in accounting policy on the Group profit and loss account for 2000 is a write-off before tax of £265,733 (1999 - £266,960). This additional expense gives rise to a reduction in tax of £81,333 (1999 - £nil).



**GIOMA RESTAURANTS PLC**  
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**22 Reconciliation of movements in shareholders' funds**

	<b>2000</b>	<b>1999</b>
	£	£
Profit for the financial year	1,183,415	323,160
Dividends	-	(581)
	<u>1,183,415</u>	<u>322,579</u>
Other recognised gains and losses		
Exchange (loss)/gain	(333,983)	161,739
Ordinary share capital allotted	-	22,538,033
Preference share capital redeemed	-	(13,167)
Net increase in shareholders' funds	<u>849,432</u>	<u>23,009,184</u>
Opening shareholders' funds*	32,418,087	9,408,903
Closing shareholders' funds	<u>33,267,519</u>	<u>32,418,087</u>

\* Originally £32,780,585 before deducting prior year adjustment of £362,498.

**23 Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2000</b>	<b>As restated</b>
	£	1999
		£
Operating profit	1,622,884	422,154
Amortisation of goodwill	738,185	258,176
Depreciation of tangible fixed assets	960,045	348,720
(Profit)/loss on disposal of tangible fixed assets	(7,889)	7,609
Increase in stock	(105,335)	(155,576)
(Increase)/decrease in debtors	(357,872)	674,025
Decrease in current asset investments	151,500	-
Increase in creditors	4,166	2,362,420
Net cash inflow from operating activities	<u>3,005,684</u>	<u>3,917,528</u>

**GIOMA RESTAURANTS PLC**  
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**24 Analysis of cash flows for headings netted in the cash flow statement**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	370,477	136,125
Interest paid	(99,827)	(7,195)
Preference dividends paid	-	(581)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>270,650</u>	<u>128,349</u>
<b>Taxation</b>		
Corporation tax paid	(355,906)	(60,597)
<b>Net cash outflow from taxation</b>	<u>(355,906)</u>	<u>(60,597)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(9,868,125)	(4,418,564)
Sale of tangible fixed assets	276,854	-
Sale of investments	-	27,250
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(9,591,271)</u>	<u>(4,391,314)</u>
<b>Acquisitions and disposals</b>		
Expenses incurred in acquiring subsidiary undertakings	-	(337,868)
Cash at bank and in hand acquired with subsidiary undertakings	-	499,184
<b>Net cash inflow from acquisitions and disposals</b>	<u>-</u>	<u>161,316</u>
<b>Management of liquid resources</b>		
Cash withdrawn/(placed) on term deposit	6,200,000	(6,000,000)
<b>Net cash inflow/(outflow) from management of liquid resources</b>	<u>6,200,000</u>	<u>(6,000,000)</u>
<b>Financing</b>		
Issue of ordinary shares	-	7,482,033
Redemption of preference shares	-	(13,167)
Debt due within one year:		
- new secured loan	391,088	426,373
- repayment of secured loan	(119,012)	(107,535)
Debt due after one year:		
- repayment of secured loan	-	(8,962)
<b>Net cash inflow from financing</b>	<u>272,076</u>	<u>7,778,742</u>

**GIOMA RESTAURANTS PLC**  
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**25 Analysis of net funds**

	At 1 January 2000 £	Cash flow £	Other non-cash changes £	Exchange movement £	At 31 December 2000 £
Cash at bank and in hand	2,344,589	(294,218)		8,235	2,058,606
Overdrafts	(94,606)	95,451		(845)	-
		<u>(198,767)</u>			
Debt due within one year	(602,469)	(272,076)	(19,554)	(59,704)	(953,803)
Debt due after one year	(852,746)	-	19,554	(58,406)	(891,598)
		<u>(272,076)</u>			
Term deposits	7,700,000	(6,200,000)			1,500,000
Net funds	<u>8,494,768</u>	<u>(6,670,843)</u>	-	<u>(110,720)</u>	<u>1,713,205</u>

**26 Capital commitments**

At 31 December 2000 the group had authorised capital commitments relating to the development and refurbishment of restaurants of £7,100,000 (1999 - £9,380,000).

**27 Revenue commitments**

The group is committed to making the following payments during the next year in respect of operating leases expiring:

	Land and buildings 2000 £	1999 £
Within one year	30,900	184,425
Between one and five years	868,295	641,559
After five years	1,477,522	1,084,494
	<u>2,376,717</u>	<u>1,910,478</u>

**28 Contingent liabilities**

Gioma Restaurants plc has provided letters of guarantee amounting to 4,500,000 Swiss Francs, equivalent to £1,866,136 at 31 December 2000, as security for bank and other loans advanced to its wholly owned subsidiary Down Mexico Way Im Strohhof AG.

**GIOMA RESTAURANTS PLC**  
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Down Mexico Way Im Strohnhof AG has provided security of 250,000 Swiss Francs, equivalent to £103,674 at 31 December 2000, by way of a mortgage on the long leasehold property to the City of Zurich against default of rentals payable under the long lease.

**29 Related party disclosures**

During the year the company purchased a motor vehicle from a director, Z Godik, at its open market value of £24,000.

During the year the group exercised its option to purchase four restaurant sites from its parent company, Gioma Group BV.

**30 Ultimate parent company**

The ultimate parent company is Gioma Group BV, a company incorporated in the Netherlands. Copies of the consolidated financial statements of Gioma Group BV are available from Gioma Group BV, Burgemeester Stramanweg 101, 1101 AA Amsterdam, Netherlands.