ASK Restaurants Limited

Annual Report and Financial Statements

52 Weeks Ended

29 June 2008

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REGISTRATION NUMBER: 02792998

ASK RESTAURANTS LIMITED

Annual report and financial statements for the 52 weeks ended 29 June 2008

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Directors Emma English
Nigel Garfitt
James Pickworth
Harvey Smyth

Secretary and registered office

James Pickworth, Hunton House, Highbridge Estate, Oxford Road, Uxbridge, UB8 1LX

Company number 02792998

Independent Auditors PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, First Point, Buckingham Gate, Gatwick, RH6 0PP

ASK RESTAURANTS LIMITED

Directors' Report

The directors present their report together with the audited financial statements for the 52 weeks ended 29 June 2008

Business review and principal activities

The principal activity of the Company is the operation of restaurants

The results for the Company show a pre-tax profit of £24,516,000 (2007 £23,609,000) and sales of £168,100,000 (2007 £161,055,000)

The directors do not recommend a final dividend and have not paid dividends during the year (2007 £nil) The profit after tax of £23,690,000 (2007 £23,137,000) has been taken to reserves

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks The key business risks affecting the Company are considered to relate to competition from other restaurateurs, employee retention and timely supplies of quality product

The Company's activities also expose it to financial risks being foreign exchange risk and credit risk

(a) Foreign exchange risk

Foreign exchange risk may arise from future commercial transactions as the Company purchases certain goods from European suppliers This is mitigated by fellow subsidiary companies generating income in Euro's

(b) Credit risk

The Company has no significant concentrations of credit risk The nature of the operations results in a large customer base and significant proportion of cash sales

Liquidity risk and cash flow risk arises as a result of the Company's creditors due within one year The Company manages this risk by obtaining assurances from its parent and subsidiary undertakings that they will not seek repayment of intercompany creditors in the foreseeable future

Key performance indicators ("KPIs")

The performance of the Company is measured through the use of three key performance indicators being sales and profitability versus annual budget and the number of open restaurants

A more detailed business review is included in the accounts of the Company's ultimate parent undertaking, Gondola Group Limited

Future outlook

The casual dining market is highly competitive and the Company will seek new opportunities to open new restaurants whilst continuing to operate effectively and efficiently

Directors

The directors of the Company during the period were

Harvey Smyth
Nigel Garfitt
James Pickworth (appointed 31 August 2007)
Emma English (appointed 1 November 2007)

Employees

The number of employees and their remuneration is set out in note 3

Applications from disabled persons are given full consideration providing the disability does not seriously affect the performance of their duties Such persons, once employed, are given appropriate training and equal opportunities

The company takes a positive view of employee communication and has established systems for keeping employees informed of developments and also for regular consultation

Creditors payment policy and practice

It is the Company's policy to agree terms of business with suppliers prior to the supply of goods or services In the absence of any dispute, the Company pays in accordance with these agreed terms Trade creditors at the period-end amounted to 51 (2007 50) of average days supplies for the period

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) The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 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

Provision of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
(2) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Financial instruments

The directors consider that the Company's key financial instruments are cash and inter-company loans to and from parent undertakings Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on cash balances or overdrafts This risk is not considered material and thus the Company does not employ the use of hedging instruments

Donations

No charitable donations were made during the period (2007 £nil)

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

By order of the Board

James Pickworth
Secretary
23 October 2008

ASK RESTAURANTS LIMITED

Independent auditors' report to the members of ASK Restaurants Limited

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We have audited the financial statements of ASK Restaurants Limited for the 52 week period ended 29 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion
In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 June 2008 and of its profit for the period then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Gatwick
24 October 2008

ASK RESTAURANTS LIMITED

Profit and loss account for the 52 weeks ended 29 June 2008

Continuing operations	Note	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Turnover	2	**168,100**	161,055
Cost of Sales		**(139,742)**	(133,507)
Gross profit		**28,358**	27,548
Administrative expenses (excluding exceptional costs)		**(2,930)**	(3,551)
Exceptional administrative expenses	5	**(1,154)**	(1,141)
Total administrative expenses		**(4,084)**	(4,692)
Operating profit	6	**24,274**	22,856
(Loss)/profit on disposal of fixed assets	7	**(294)**	517
Profit on ordinary activities before interest and taxation		**23,980**	23,373
Net interest receivable	8	**536**	236
Profit on ordinary activities before taxation		**24,516**	23,609
Taxation	9	**(826)**	(472)
Profit for the financial period	17	**23,690**	23,137

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

ASK RESTAURANTS LIMITED

Balance sheets at 29 June 2008

	Note	29 June 2008 £000	1 July 2007 £000
Fixed assets			
Tangible assets	10	**91,022**	84,725
Investments	11	**229**	229
		91,251	84,954
Current assets			
Stocks	12	**4,180**	3,529
Debtors due within one year	13	**42,454**	29,108
Debtors due after more than one year	13	**-**	40
		46,634	32,677
Cash at bank in hand		**18,643**	10,480
		65,277	43,157
Creditors amounts falling due within one year	14	**(32,930)**	(31,385)
Net current assets/(liabilities)		**32,347**	11,772
Total assets less liabilities		**123,598**	96,726
Creditors· amounts falling due after more than one year	14	**(26,379)**	(24,164)
Provisions for liabilities and charges	15	**(8,372)**	(7,405)
Net assets		**88,847**	65,157
Capital and reserves			
Called up share capital	16	**3,265**	3,265
Share premium account	17	**22,106**	22,106
Profit and loss account	17	**63,476**	39,786
Equity shareholders' funds		**88,847**	65,157

The financial statements on pages 5 to 20 were approved by the Board of Directors on 23 October 2008 and were signed on their behalf by Harvey Smyth

Reconciliation of Movements in Shareholders' Funds for the 52 weeks ended 29 June 2008

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Profit for the financial period	**23,690**	23,137
Net increase in shareholders' funds	**23,690**	23,137
Opening shareholders' funds	**65,157**	42,020
Closing shareholders' funds	**88,847**	65,157

1 Accounting policies

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and with the Companies Act 1985

ASK Restaurants Limited is exempt from the obligation to prepare and deliver group accounts as it is a subsidiary undertaking of Gondola Group Limited, a company incorporated in Great Britain, which itself draws up consolidated financial statements

The most significant accounting policies are described below

Turnover

Turnover represents net invoiced sales of food and beverages excluding value added tax Turnover is recognised when goods or services have been provided

Rental income

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation is provided at the following annual rates in order to write down to estimated residual values the cost of each asset over its estimated useful life on a straight-line basis

Fixtures	- 10% per annum
IT equipment	- 20% per annum
Motor vehicles	- 25% per annum

Short leasehold properties and improvements are amortised over the length of the lease except where the anticipated renewal or extension of the lease is sufficiently certain that a longer amortisation period is appropriate Current legislation and the terms of the lease contracts are such that all of the leases are readily extendable by an additional 14 years The maximum amortisation period for short term leasehold properties is 30 years

The cost of freehold and long leasehold properties is amortised over the lesser of 50 years or the outstanding term of the lease

Assets under construction comprise tangible fixed assets acquired for restaurants under construction, including costs directly attributable to bringing the asset into use Assets are transferred to freehold properties, long leaseholds, short leaseholds and fixtures when the restaurant opens No depreciation is provided on assets under construction, as these assets have not been brought into working condition for intended use

Sales of properties are recognised in the accounts when unconditional contracts are exchanged

Impairment of fixed assets

The carrying values of fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate that the carrying value may not be recoverable Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account within operating profit A reversal of impairment is recognised in the profit and loss account up to the extent that the original loss was recognised

Pre-opening costs

Pre-opening costs are expensed as incurred

1 Accounting policies *(Continued)*

Stocks

Raw materials are valued at the lower of cost and net realisable value Cost is based on the purchase cost on a first-in, first-out basis

Taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date which are due to transactions or events which have occurred at that date and which will result in an obligation to pay more, or a right to pay less, tax in the future

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the deferred tax assets resulting from the underlying timing differences can be recovered

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Provisions

Provisions comprise liabilities of uncertain timing or amount Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of past events, which is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated

Property provisions are recognised for unavoidable lease payments representing the difference between the rentals due and any income expected to be derived from the vacant properties being sub-let Provisions are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

1 Accounting policies *(Continued)*

Exceptional items

The Company presents a total net figure, on the face of the profit and loss account, for exceptional items Exceptional items are material items of income and expense that, because of the unusual nature and expected infrequency of the events giving rise to them, merit separate presentation to allow an understanding of the Company's financial performance

Operating leases

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease The benefit of lease incentives are taken to the profit and loss account on a straight line basis over the shorter of the lease term or the period until the first rent review

Contributions received from landlords as an incentive are treated as deferred income within creditors

Pension costs

Contributions to the Company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable

Investments

Investments are valued at cost less provision for any impairment in value.

Rebates receivable from suppliers

Volume related rebates receivable from suppliers are credited to the carrying value of the stock to which they relate Where a rebate agreement with a supplier covers more than one year the rebates are recognised in the accounts in the period in which they are earned

2 Turnover and result

The turnover and result before and after taxation arise entirely within the United Kingdom and are wholly attributable to the principal activity of the Company

3 Employees

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
a) Employee costs (including directors)		
Wages and salaries	**50,094**	48,023
Social security costs	**3,247**	3,416
Other pension costs	**243**	312
	53,584	51,751

b) Employee numbers

The average number of persons employed by the Company (including directors) during the period was

	52 weeks ended 29 June 2008	52 weeks ended 1 July 2007
Restaurants and distribution	**4,453**	4,115
Administration	**77**	55
	4,530	4,170

The Company makes contributions on behalf of selected employees to the ASK Restaurants Limited Group Personal Retirement Plan, which is an independently controlled defined contribution scheme Contributions are also made into individuals' private pension schemes There were no amounts outstanding or prepaid at the period end

4 Directors

Total directors' remuneration (including pension contributions) in the period was as follows

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Emoluments for management services	**446**	1,377
Emoluments of the highest paid director		
Emoluments	**192**	531

All the directors except for Harvey Smyth received emoluments for their services from the Company during the year Harvey Smyth was remunerated by Gondola Group Limited in respect of his services as a Group employee His emoluments are dealt with in the accounts of Gondola Group Limited and he received no emoluments for services to the Company

Pension contributions of £15,583 (2007 £95,618) were paid into individual personal pension plans for two (2007 one) directors

5 Exceptional administrative expenses

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Restructuring	**1,154**	1,141

The exceptional costs in the year relate to the consolidation of certain functions, previously performed by employees of the Company, into Gondola Group functions and to restructuring costs arising from a major operational restructure in the year The consolidation costs total £435,000 and relates to closure of the Company's head office and associated redundancy costs The restructuring costs total £719,000 and are primarily redundancy related costs

In the prior year, following the acquisition of the ultimate holding company during the year, the Company underwent a senior management restructure, resulting in costs amounting to £1,141,000, principally in respect of payments in compensation for loss of office

6 Operating profit

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Operating profit is arrived at after charging		
Staff costs (note 3)	**53,584**	51,751
Auditors' fees		
Audit services – Statutory audit	**60**	60
Tax services	**21**	37
Depreciation of owned tangible fixed assets	**6,962**	6,710
Operating lease rentals (other than plant and machinery)	**17,946**	16,911
Repairs and renewals	**3,470**	2,417
Impairment of fixed assets	**573**	2,098
And after crediting		
Rental income	**929**	914

7 (Loss)/ profit on disposal of fixed assets

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Loss on sale of freehold property	**-**	(21)
(Loss)/Profit on sale of leasehold property	**(294)**	538
	(294)	517

8 Net interest receivable

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Interest receivable on short term deposits	**585**	312
Interest payable on bank loan and overdraft	**(48)**	(76)
	537	236

9 Taxation

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Current tax		
Corporation tax at 29 5 per cent (2007 30 per cent) on the profits for the period	-	-
Current tax charge for the period	-	-
Deferred tax		
Origination and reversal of timing differences	945	1,056
Effect of change in rate of corporation tax	(48)	(449)
Adjustments in respect of prior periods	(71)	(135)
	826	472
Taxation on profit on ordinary activities	826	472

The tax for the year is lower (2007 lower) than the standard rate of corporation tax of 29 5 per cent in the UK The differences are explained below

	52 weeks ended 29 June 2008 £000	52 weeks ended 1 July 2007 £000
Profit on ordinary activities before tax	24,516	23,609
Profit on ordinary activities at the standard rate of		
Corporation tax in the UK of 29 5 per cent (2007 30 per cent)	7,232	7,083
Effect of		
Expenses not allowable for tax purposes	386	707
Accelerated capital allowances	(945)	(1,056)
Group relief received for nil consideration	(6,673)	(6,734)
Current tax charge for the period	-	-

10 Tangible assets

	Assets under construction £000	Short leaseholds & improvements £000	Fixtures, fittings and vehicles £000	Total £000
Cost				
At 2 July 2007	707	94,550	29,240	**124,497**
Additions	694	10,500	4,689	**15,883**
Disposals	(114)	(1,900)	(595)	**(2,609)**
Transfers	(498)	468	30	**-**
At 29 June 2008	**789**	**103,618**	**33,364**	**137,771**
Depreciation				
At 2 July 2007	-	24,479	15,293	**39,772**
Charge for the period	-	3,010	3,952	**6,962**
Impairment	-	526	47	**573**
Disposals	-	(229)	(329)	**(558)**
At 29 June 2008	-	**27,786**	**18,963**	**46,749**
Net book value				
At 29 June 2008	**789**	**75,832**	**14,401**	**91,022**
At 2 July 2007	707	70,071	13,947	84,725

In the period the total impairment losses of tangible fixed assets recognised in the profit and loss account were £573,000 (2007 £2,098,000), relating to marginal or loss making sites

The company considers each trading outlet to be an income generating unit (IGU) and each IGU is reviewed annually for indicators of impairment In assessing whether an asset has been impaired, the carrying value of the IGU is compared to its recoverable amount The recoverable amount is the higher of its fair value and its value to use In the absence of any information about the fair value of an IGU, the recoverable amount is deemed to be its value in use

The Company estimates value in use using a discounted cash flow model The future cash flows are based on assumptions from the business plans and cover a three year period Cashflows beyond the budget period are extrapolated using a 2 5% growth rate (2007 2 5%) This rate does not exceed long-term growth rates for the relevant markets

The discount rate employed is the Group's estimated weighted average cost of capital before tax and reflects the relevant risks of assets being tested for impairment The pre-tax discount rate used for 2008 is 10 5% (2007 10 5%)

The Company had contracted capital commitments of £nil as at 29 June 2008 (1 July 2007 £1,325,000)

There is no material difference between the market value and book value of land and buildings

11 Fixed asset investment

Subsidiary undertaking	£000
At 29 June 2008 and 1 July 2007	**229**

The company owns 100% of the issued share capital of IT'S Restaurants Limited, an unlisted company registered in England IT'S Restaurants Limited did not trade during the period

12 Stocks

	29 June 2008 £000	1 July 2007 £000
Raw materials and consumables	**1,363**	1,244
Crockery and utensils	**2,817**	2,285
	4,180	3,529

In the directors' opinion the replacement cost of stock is not materially different from that shown above

13 Debtors

	29 June 2008 £000	1 July 2007 £000
Debtors due within one year		
Amount owed by fellow subsidiary undertakings	**1,190**	82
Amount owed by intermediate parent undertakings	**31,937**	21,858
Other debtors	**1,999**	2,134
Prepayments and accrued income	**7,328**	5,034
	42,454	29,108
Debtors due after more than one year		
Other debtors	**-**	40
	42,454	29,148

14 Creditors

	29 June 2008 £000	1 July 2007 £000
Creditors amounts falling due within one year		
Trade creditors	**12,619**	11,533
Amounts owed to fellow subsidiary undertakings	**-**	1,842
Other creditors	**3,591**	909
Taxation and social security	**6,139**	4,025
Corporation tax	**671**	671
Accruals and deferred income	**9,910**	12,405
	32,930	31,385

	29 June 2008 £000	1 July 2007 £000
Creditors: amounts falling due after more than one year		
Amount owed to immediate parent undertaking	**25,985**	24,148
Accruals and deferred income	**394**	16
	26,379	24,164

The amount owed to immediate parent undertaking is interest free with no specific repayment schedule

Accruals and deferred income in the prior period represents landlord contributions to leasehold additions This amount is released evenly over the period up to the next rent review of the property to which it relates The amounts are due for release as follows

	29 June 2008 £000	1 July 2007 £000
Within 1 year	**61**	-
1 to 2 years	**42**	16
More than 2 years	**291**	-
	394	16

15 Provision for liabilities and charges

	29 June 2008 £000	1 July 2007 £000
Deferred taxation	7,107	6,281
Onerous contracts	1,265	1,124
	8,372	7,405

Deferred taxation

	£000
At 2 July 2007	6,281
Transfer from profit and loss account	826
At 29 June 2008	**7,107**

	29 June 2008 £000	1 July 2007 £000
Accelerated capital allowances	7,107	6,189
Short term timing differences	-	92
	7,107	6,281

Onerous contracts

	£000
At 2 July 2007	1,124
Charged to profit and loss account	206
Utilised in year	(65)
At 29 June 2008	**1,265**

The onerous contracts represent operating leases on properties no longer in use, which have lives for a further period of 20 to 22 years The provisions have been discounted at a rate of 5%

16 Share capital

	Number	£000
Authonsed – equity		
Ordinary shares of £0 25 each		
At 1 July 2007 and 29 June 2008	**20,000,000**	**5,000**
Allotted, called up and fully paid – equity		
Ordinary shares of £0 25 each		
At 1 July 2007 and 29 June 2008	**13,059,056**	**3,265**

17 Reserves

	Share premium £000	Profit and loss £000
At 2 July 2007	22,106	39,786
Transfer from profit and loss account for the penod	-	23,690
At 29 June 2008	**22,106**	**63,476**

18 Cash flow statement

The Company has taken advantage of the exemption provided by Financial Reporting Standard No 1 not to produce a cash flow statement on the grounds that a consolidated cash flow is produced by its ultimate parent company

19 Commitments under operating leases

The Company had annual commitments under non-cancellable operating leases as set out below

	29 June 2008 £000	1 July 2007 £000
Land and buildings		
Operating leases expinng within one year	9	-
Operating leases expinng between two and five years	347	123
Operating leases expinng after more than five years	17,226	16,715
	17,582	16,838

The leases for land and buildings are subject to rent reviews The financial commitments for operating lease amounts payable calculated as a percentage of turnover have been based on the minimum payment that is required under the terms of the lease As a result the amounts charged to the profit and loss account are different to the financial commitment at the year-end

20 Related party transactions

The Company has taken advantage of the exemption allowed by FRS 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the financial statements of other group members

21 Parent company and ultimate parent undertakings

The immediate parent company of ASK Restaurants Limited is ASK Central Limited

At 29 June 2008 the Company's ultimate parent undertakings were Fourth Cinven Fund (No 1) LP, Fourth Cinven Fund (No 2) LP, Fourth Cinven Fund (No 3 - VCOC) LP, Fourth Cinven Fund (No 4) LP, Fourth Cinven Fund (UBTI) LP, Fourth Cinven Fund Co-Investment Partnership, Fourth Cinven (MACIF) Partnership and Fourth Cinven Fund FCPRLP (together the "Cinven Funds"), being funds managed and advised by Cinven Limited, a company incorporated under the laws of England and Wales

Accordingly, the directors consider the Company's ultimate controlling party to be Cinven Limited, the manager and advisor to the Cinven Funds

At 29 June 2008, the smallest and largest group for which group financial statements were prepared was Gondola Group Limited, a limited company under the laws of England and Wales The accounts of Gondola Group Limited are available from the Company Secretary, 5th Floor, 2 Balcombe Street, London,NW1 6NW

22 Contingent liabilities

The Company and certain of the Company's subsidiaries and parent undertakings (together the "Senior and Mezzanine Guarantors") are guarantors to a Senior Credit Facilities Agreement and a Mezzanine Facility Agreement (together the "Agreements") between Gondola Acquisitions Limited, Gondola Finance 2 Limited (parent undertakings of the Company) and The Governor and Company of the Bank of Scotland

The amounts outstanding at the balance sheet dates for these loans were £561 1 million (2007 £565 0 million) under the Senior Facilities and £65 9 million (2007 £63 4 million) under the Mezzanine facility, including accrued interest

Each Senior and Mezzanine Guarantor irrevocably and unconditionally jointly and severally

- Guarantees to each finance party the punctual performance of each borrower, guarantor and charger (each an obligor) of all such obligor's obligations under the Agreements,
- Undertakes with each finance party that whenever an obligor does not pay any amount when due under or in connection with any Senior Finance Document, that the guarantor shall immediately on demand pay that amount as if it was the principal obligor, and
- Indemnifies each finance party immediately on demand against any cost, loss or liability suffered by that finance party as a result of the guarantee being unenforceable, invalid or illegal

The same companies have also provided security for all indebtedness, liabilities and obligations of any member of the Group under the Agreements The security comprises floating charges over all assets and undertakings of the Senior and Mezzanine Guarantors