

Registration number 05566787

Gondola Holdings Limited

Directors' Report and Financial Statements

for the 52 Weeks Ended 30 June 2013

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Gondola Holdings Limited
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Gondola Holdings Limited
Company Information

| | |
|-----------------------------|---|
| Directors | N Carter H Smyth |
| Company secretary | N Carter |
| Registered office | Fifth Floor 2 Balcombe Street London NW1 6NW |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors First Point Buckingham Gate London Gatwick Airport Gatwick West Sussex RH6 0NT |

Gondola Holdings Limited

Directors' Report for the 52 weeks ended 30 June 2013

The directors present their report and the audited financial statements of the company for the 52 weeks ended 30 June 2013

Directors of the company

The directors who held office during the period were as follows

N Carter - Company secretary and director

H Smyth

Principal activity

The principal activity of the company is that of a holding company

Results and dividends

The company's loss for the 52 week period, after taxation, amounted to £6,072,855 (53 week period ended 1 July 2012 loss £4,946,625)

The directors do not recommend the payment of a dividend (2012 £Nil)

Business review

Given the holding company nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. This is achieved instead through its operating subsidiaries, the performance of which is measured through the use of two key performance indicators being sales and profitability versus annual budget and the number of trading restaurants

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Gondola Group Limited. The directors have received confirmation that Gondola Group Limited intends to support the company for at least one year after these financial statements are signed.

Financial instruments

The directors consider that the company's key financial instruments are amounts due from and due to group companies. No financial exposure exists in relation to these balances as the interest on intercompany balances is fixed and thus the company does not employ the use of hedging instruments. The directors will revisit the appropriateness of the policy should the company's operations change in size or nature.

Statement of Directors' responsibilities

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 period. Under that law the directors have prepared 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,

Gondola Holdings Limited
Directors' Report for the 52 weeks ended 30 June 2013

..... continued

- make judgements and accounting 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, 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.

Disclosure of information to the 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 or she ought to have taken as a director in order to make himself or herself 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 s418(2) of the Companies Act 2006.


Directors' indemnities

The company maintains liability insurance for its directors and officers which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Reappointment of independent auditors

The 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.

Approved by the Board on 10 October 2013 and signed on its behalf by



N Carter
Company secretary and director

Gondola Holdings Limited

Independent Auditors' Report to the Members of Gondola Holdings Limited

We have audited the financial statements of Gondola Holdings Limited for the 52 week period ended 30 June 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' responsibilities set out on pages 2 and 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its loss for the 52 week period 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 period for which the financial statements are prepared is consistent with the financial statements.

Gondola Holdings Limited

**Independent Auditors' Report to the Members of
Gondola Holdings Limited**

..... continued

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

Rosemary Shapland

Rosemary Shapland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

10 October 2013

Gondola Holdings Limited
Profit and Loss Account for the 52 weeks ended 30 June 2013

| | Note | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|--|------|--|---|
| Administrative expenses | | <u>(1,181)</u> | <u>(703)</u> |
| Operating loss | 2 | (1,181) | (703) |
| Other exceptional items | 3 | (833) | - |
| Other interest receivable and similar income | 6 | 3,631 | 3,890 |
| Interest payable and similar charges | 7 | <u>(9,575)</u> | <u>(9,838)</u> |
| Loss on ordinary activities before taxation | | (7,958) | (6,651) |
| Tax on loss on ordinary activities | 8 | <u>1,885</u> | <u>1,704</u> |
| Loss for the financial period | 15 | <u><u>(6,073)</u></u> | <u><u>(4,947)</u></u> |

The results above derive wholly from continuing operations


There is no material difference between the loss on ordinary activities before taxation and the loss for the financial periods stated above and their historical costs equivalents

The company has no recognised gains or losses for the period other than the losses above, and therefore no separate statement of total recognised gains and losses has been presented

Gondola Holdings Limited
(Registration number: 05566787)
Balance Sheet at 30 June 2013

| | Note | 30 June 2013 £ 000 | 1 July 2012 £ 000 |
|---|------|-----------------------|----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 9 | 1,758 | 2,013 |
| Investments | 10 | 412,762 | 412,762 |
| | | <u>414,520</u> | <u>414,775</u> |
| Current assets | | | |
| Stocks | | 18 | - |
| Debtors | 11 | 97,580 | 103,632 |
| Cash at bank and in hand | | 1,786 | 1,087 |
| | | <u>99,384</u> | <u>104,719</u> |
| Creditors Amounts falling due within one year | 12 | (253,618) | (253,001) |
| Net current liabilities | | <u>(154,234)</u> | <u>(148,282)</u> |
| Total assets less current liabilities | | 260,286 | 266,493 |
| Provisions for liabilities | 13 | (46) | (180) |
| Net assets | | <u>260,240</u> | <u>266,313</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 33,691 | 33,691 |
| Share premium account | 15 | 147,296 | 147,296 |
| Profit and loss account | 15 | 79,253 | 85,326 |
| Total Shareholders' funds | 16 | <u>260,240</u> | <u>266,313</u> |

The financial statements on pages 6 to 18 were approved by the Board on 10 October 2013 and signed on its behalf by



N Carter
Company secretary and director

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards in the United Kingdom and with the Companies Act 2006. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

The company is exempt under Companies Act 2006 section 400 from the obligation to prepare and deliver group financial statements as it is itself a wholly owned subsidiary of a larger group drawing up consolidated financial statements, as detailed in note 20. As a consequence, these financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The directors have considered the financial position of the company and concluded that it is appropriate to prepare the financial statements on a going concern basis. This is after taking account of the assurances provided by Gondola Group Limited that it will not seek any repayment of the amounts owed by the company so as to enable the company to meet its financial obligations as they fall due for the foreseeable future.

Depreciation

Tangible fixed assets are stated at original historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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 economic life on a straight line basis:

| Asset class | Depreciation rate |
|-----------------------|--------------------------|
| Equipment | 20% per annum |
| Fixtures and fittings | 10% per annum |

Short leasehold improvements are depreciated over the length of the lease except where the anticipated renewal or extension of the lease is sufficiently certain so that a longer estimated useful life 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 depreciation period for short term leasehold properties is 30 years.

Assets under construction include tangible fixed assets under construction including costs directly attributable to bringing the asset into use. Assets are transferred to short leasehold, equipment or fixtures and fittings when the asset is completed. No depreciation is provided on assets under construction as these assets have not been brought into working condition for intended use by the company.

Fixed asset investments

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

Stocks

Stock is IT equipment held centrally. Stock is valued at the lower of cost, after due regard for obsolete and slow moving stocks.

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... *continued*

Pensions

The company operates a defined contribution pension scheme and the pension costs charged to the profit and loss account are the amounts paid by the company to the scheme during the period

2 Operating loss

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|---------------------------------|--|---|
| Depreciation of tangible assets | 925 | 402 |

During the period, operating costs of £11.0million (53 week period ended 1 July 2012 £10.4million) were recharged to subsidiary undertakings. These costs were incurred in the provision of services to those subsidiary undertakings.

During the period statutory audit fees of £61,000 were paid to the Company's auditors (53 week period ended 1 July 2012 £64,000). The audit fees included amounts chargeable to other Group companies, including Gondola Group Limited, the Company's ultimate parent undertaking but were not recharged to those Companies. In addition, tax compliance and advisory fees of £60,000 were paid (53 week period ended 1 July 2012 £15,000).

3 Exceptional items

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|-------------------|--|---|
| Exceptional costs | 833 | - |

During the 52 week period ended 30 June 2013 the company invited tenders on the open market for a subsidiary company Byron Hamburgers Limited. The exceptional items relate to the cost of professional services in relation to this proposed sale.

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... continued

4 Particulars of employees

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

| | 52 weeks ended 30 June 2013 No. | 53 weeks ended 1 July 2012 No. |
|----------------------------|--|---|
| Administration and support | <u>126</u> | <u>132</u> |

The aggregate payroll costs were as follows

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|-----------------------|--|---|
| Wages and salaries | 6,642 | 5,994 |
| Social security costs | 582 | 615 |
| Staff pensions | <u>186</u> | <u>225</u> |
| | <u>7,410</u> | <u>6,834</u> |

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... continued

5 Directors' remuneration

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|---|--|---|
| Remuneration (including benefits in kind) | <u>779</u> | <u>633</u> |

The group does not operate a defined benefit pension scheme. Pension contributions of £79,500 (2012: £75,000) were paid into individual personal pension plans in relation to two directors (2012: two).

In respect of the highest paid director

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|---|--|---|
| Remuneration | 437 | 312 |
| Company contributions to personal pension schemes | <u>45</u> | <u>41</u> |
| | <u>482</u> | <u>353</u> |

6 Interest receivable and similar income

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|---------------------------|--|---|
| Group interest receivable | <u>3,631</u> | <u>3,890</u> |

7 Interest payable and similar charges

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|------------------------|--|---|
| Group interest payable | <u>9,575</u> | <u>9,838</u> |

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... *continued*

8 Tax on loss on ordinary activities

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|--|--|---|
| Current tax | | |
| Corporation tax credit | (1,751) | (1,682) |
| Deferred tax | | |
| Origination and reversal of timing differences | (129) | (7) |
| Deferred tax adjustment relating to previous years | (1) | - |
| Effect of changes in tax rates | (4) | (15) |
| Total deferred tax | (134) | (22) |
| Total tax on loss on ordinary activities | <u>(1,885)</u> | <u>(1,704)</u> |

Factors affecting current tax credit for the period

Tax credit on loss on ordinary activities for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.75% (2012 - 25.5%)

The differences are reconciled below

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|---|--|---|
| Loss on ordinary activities before taxation | <u>(7,958)</u> | <u>(6,651)</u> |
| Corporation tax at standard rate | (1,890) | (1,696) |
| Capital allowances in excess of depreciation | 129 | 7 |
| Expenses not deductible for tax purposes | 9 | 7 |
| Expenses not deductible for tax purposes - depn | 1 | - |
| Total current tax | <u>(1,751)</u> | <u>(1,682)</u> |

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 23.75%.

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... continued

9 Tangible fixed assets

| | Short leasehold land and buildings improvements £ 000 | Assets under construction £ 000 | Fixtures and fittings £ 000 | Equipment £ 000 | Total £ 000 |
|-------------------------------------|--|---------------------------------------|-----------------------------------|--------------------|----------------|
| Cost or valuation | | | | | |
| At 2 July 2012 | 445 | 52 | 60 | 2,463 | 3,020 |
| Additions | - | 543 | - | 127 | 670 |
| Transfers | - | (220) | (1) | 221 | - |
| At 30 June 2013 | 445 | 375 | 59 | 2,811 | 3,690 |
| Accumulated Depreciation | | | | | |
| At 2 July 2012 | 47 | - | 43 | 917 | 1,007 |
| Charge for the period | 16 | - | 2 | 907 | 925 |
| At 30 June 2013 | 63 | - | 45 | 1,824 | 1,932 |
| Net book value | | | | | |
| At 30 June 2013 | 382 | 375 | 14 | 987 | 1,758 |
| At 1 July 2012 | 398 | 52 | 17 | 1,546 | 2,013 |

10 Investments

| | 30 June 2013 £ 000 | 1 July 2012 £ 000 |
|-------------------------------------|-----------------------|--|
| Shares in group undertakings | | |
| | | Subsidiary undertakings £ 000 |
| Cost | | |
| At 1 July 2012 and 30 June 2013 | | 412,762 |

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... *continued*

| Undertaking | Holding | Proportion of voting rights and shares held | Principal activity |
|--|-----------------|---|--|
| Subsidiary undertakings | | | |
| ASK Central Limited* | Ordinary shares | 100% | Holding Company |
| Byron Hamburgers Limited* | Ordinary shares | 100% | Operation of restaurants |
| PizzaExpress Holdings Limited* | Ordinary shares | 100% | Holding Company |
| PizzaExpress (Franchises) Limited | Ordinary shares | 100% | Management of international franchise operations |
| Gondola Investments Limited | Ordinary shares | 100% | Holding Company |
| ASK Restaurants Limited | Ordinary shares | 100% | Operation of restaurants |
| Gondola Finance Limited | Ordinary shares | 100% | Holding Company |
| Riposte Limited | Ordinary shares | 100% | Holding Company |
| PandoraExpress 2 Limited | Ordinary shares | 100% | Holding Company |
| PandoraExpress 3 Limited | Ordinary shares | 100% | Holding Company |
| PandoraExpress 4 Limited | Ordinary shares | 100% | Holding Company |
| GondolaExpress Limited (formerly GondolaExpress PLC) | Ordinary shares | 100% | Holding Company |
| PizzaExpress (Restaurants) Limited | Ordinary shares | 100% | Operation of restaurants |
| Bookcash Trading Limited | Ordinary shares | 100% | Operation of restaurants |
| PizzaExpress (Wholesale) Limited | Ordinary shares | 100% | Manufacture and supply of dough |
| PizzaExpress Merchandising Limited | Ordinary shares | 100% | Sale of PizzaExpress branded merchandise |
| Al Rollo Limited | Ordinary shares | 100% | Operation of restaurants |
| Agenbite Limited | Ordinary shares | 100% | Operation of restaurants |
| PizzaExpress (Jersey) Limited | Ordinary shares | 100% | Operation of restaurants |
| PizzaExpress Asia Holdings Private Limited | Ordinary shares | 100% | Holding company |

* Shares directly held

All subsidiaries other than Agenbite Limited, PizzaExpress (Jersey) Limited and PizzaExpress Asia Holdings Private Limited PizzaExpress (Jersey) Limited are unlisted and are registered and operate in England and Wales PizzaExpress Asia Holdings Private Limited is incorporated and operates in Singapore, Asia PizzaExpress (Jersey) Limited is incorporated and operates in Jersey, Channel Islands and Agenbite Limited is incorporated and operates in Ireland

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... *continued*

11 Debtors

| | 30 June 2013 £ 000 | 1 July 2012 £ 000 |
|------------------------------------|-----------------------|----------------------|
| Amounts owed by group undertakings | 97,016 | 103,189 |
| Prepayments and accrued income | 419 | 443 |
| Other debtors | 145 | - |
| | <u>97,580</u> | <u>103,632</u> |

Amounts due from group undertakings accrue interest at 4 per cent per annum and are repayable on demand

12 Creditors: Amounts falling due within one year

| | 30 June 2013 £ 000 | 1 July 2012 £ 000 |
|------------------------------------|-----------------------|----------------------|
| Amounts owed to group undertakings | 249,674 | 251,800 |
| Other creditors | - | 13 |
| Accruals and deferred income | 3,944 | 1,188 |
| | <u>253,618</u> | <u>253,001</u> |

Amounts owing to group undertakings accrue interest at 4 per cent per annum and are repayable on demand

13 Provisions for liabilities

| | Deferred tax £ 000 |
|---|-----------------------|
| At 2 July 2012 | 180 |
| Credited to the profit and loss account | (134) |
| At 30 June 2013 | <u>46</u> |

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... continued

14 Called up share capital

Allotted, called up and fully paid shares

| | 30 June 2013 | | 1 July 2012 | |
|-------------------------------|----------------|---------------|----------------|---------------|
| | Number 000 | £ 000 | Number 000 | £ 000 |
| Ordinary shares of £0.25 each | <u>134,764</u> | <u>33,691</u> | <u>134,764</u> | <u>33,691</u> |

15 Reserves

| | Share premium account £ 000 | Profit and loss account £ 000 | Total £ 000 |
|---------------------|--------------------------------|----------------------------------|----------------|
| At 1 July 2012 | 147,296 | 85,326 | 232,622 |
| Loss for the period | - | (6,073) | (6,073) |
| At 30 June 2013 | <u>147,296</u> | <u>79,253</u> | <u>226,549</u> |

16 Reconciliation of movements in shareholders' funds

| | 52 weeks ended 30 June 2013 £ 000 | 53 weeks ended 1 July 2012 £ 000 |
|---|---|--|
| Loss attributable to the members of the company | <u>(6,073)</u> | <u>(4,947)</u> |
| Net reduction to shareholders' funds | (6,073) | (4,947) |
| Shareholders' funds at start of period | <u>266,313</u> | <u>271,260</u> |
| Shareholders' funds at end of period | <u>260,240</u> | <u>266,313</u> |

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... continued

17 Contingent liabilities

The company, its fellow 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 Bank of Scotland plc

The amounts outstanding at the balance sheet dates for these loans were £465.3 million (2012 £487.5 million) under the Senior Facilities and £80.2 million (2012 £75.4 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

18 Cash flow statement

The Company has taken advantage of the exemption provided by Financial Reporting Standard 1 not to produce a cash flow statement on the grounds that a consolidated cash flow is produced by its ultimate parent company

19 Related party transactions

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Gondola Group Limited group

Gondola Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 30 June 2013

..... continued

20 Ultimate parent undertakings

The immediate parent company of Gondola Holdings Limited is Gondola Acquisitions Limited, an indirect subsidiary of Gondola Group Limited, a limited company under the laws of England and Wales and the largest and smallest group for which consolidated financial statements are prepared. The financial statements of Gondola Group Limited are available from the Company Secretary, 5th Floor, 2 Balcombe Street, London, NW1 6NW.

Gondola Group Limited's ultimate parent undertakings are 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 FCPR (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.