

2944540

Circuit Launderette Services Limited

Report and Accounts

31 October 2007



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	J Laithwaite S R Laithwaite R H Logan G S Wilkinson R C Cardis
Company Secretary	R H Logan
Registered Office	Meadowcroft Lane Halifax Road Ripponden West Yorkshire HX6 4AJ
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Barclays Bank plc 6 East Parade Leeds LS1 2UX
Registered Number	2944540

DIRECTORS' REPORT

The directors present their report and the accounts of the company for the year ended 31 October 2007

Principal activities and business review

The principal activity of the company during the year was the supply of managed launderettes

The company is a wholly-owned subsidiary of Vanilla Group Limited, and its position and performance should be viewed in this context. For a review of the group's activities refer to the directors' report in the accounts of Vanilla Group Limited

Results and dividends

The profit for the year, after taxation, amounted to £123,728. The directors have not recommended a dividend

Directors

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

J Laithwaite

S R Laithwaite

R H Logan

G S Wilkinson

R C Cardis

J M Davies

(Resigned 26 April 2007)

D A Ripley

(Served from 16 February 2007 to 31 August 2007)

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 these accounts, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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

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

in so far as they are aware there is no relevant audit information of which the

DIRECTORS' REPORT *(continued)*


company's auditor is unaware, and

they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

A resolution to re-appoint Rees Pollock as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

BY ORDER OF THE BOARD

 28th August 2008

G S Wilkinson
Director



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF CIRCUIT LAUNDERETTE SERVICES LIMITED

We have audited the accounts of Circuit Launderette Services Limited for the year ended 31 October 2007 on pages 5 to 13, which have been prepared on the basis of the accounting policies set out on pages 7 to 8

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the accounts 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 accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts 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 accounts.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion

the accounts 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 31 October 2007 and of its profit for the year then ended,
the accounts have been properly prepared in accordance with the Companies Act 1985, and
the information given in the Directors' Report is consistent with the accounts.

Rees Pollock
Chartered Accountants & Registered Auditors
28 August 2008

Circuit Launderette Services Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 October 2007

	Note	2007 £	2006 £
TURNOVER	2	11,263,170	9,187,279
Cost of sales		(7,445,079)	(6,180,034)
GROSS PROFIT		<u>3,818,091</u>	<u>3,007,245</u>
Administrative expenses		(2,987,996)	(2,319,634)
OPERATING PROFIT	3	830,095	687,611
Interest payable and similar charges	6	(677,221)	(301,952)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>152,874</u>	<u>385,659</u>
Tax on profit on ordinary activities	7	(29,146)	(161,834)
PROFIT FOR THE FINANCIAL YEAR		<u><u>123,728</u></u>	<u><u>223,825</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 13 form part of these accounts

Circuit Launderette Services Limited

BALANCE SHEET

at 31 October 2007

	Note	£	2007 £	2006 £
FIXED ASSETS				
Tangible assets	8		<u>9,729,995</u>	<u>8,627,340</u>
CURRENT ASSETS				
Stocks	9	59,248		50,512
Debtors	10	2,905,728		1,435,047
Cash at bank		18,936		1,103,622
		2,983,912		2,589,181
CREDITORS: amounts falling due within one year	11	<u>2,580,237</u>		<u>3,356,321</u>
NET CURRENT ASSETS/(LIABILITIES)			403,675	(767,140)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,133,670</u>	<u>7,860,200</u>
CREDITORS: amounts falling due after more than one year	12		8,571,428	6,420,071
			<u>1,562,242</u>	<u>1,440,129</u>
PROVISIONS FOR LIABILITIES				
Deferred taxation	14		636,938	638,553
			<u>925,304</u>	<u>801,576</u>
CAPITAL AND RESERVES				
Called-up equity share capital	16		100	100
Profit and loss account	17		<u>925,204</u>	<u>801,476</u>
SHAREHOLDER'S FUNDS	18		<u>925,304</u>	<u>801,576</u>

The financial statements on pages 5 to 13 were approved by the board of directors on *20th August* 2008 and signed on its behalf by

G S Wilkinson

G S Wilkinson
Director

The notes on pages 7 to 13 form part of these accounts

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Related parties transactions

The company is a wholly owned subsidiary of Vanilla Group Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Vanilla Group Limited group

Turnover

The turnover shown in the profit and loss account represents the value of goods and services provided during the year, stated net of value added tax

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & machinery	- over the term of the rental contract
Fixtures, fittings & equipment	- 2-3 years straight line
Motor vehicles	- 3 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company and arise wholly within the United Kingdom

3. OPERATING PROFIT

Operating profit is stated after charging

	2007 £	2006 £
Depreciation of owned fixed assets	2,073,685	1,571,678
Loss on disposal of fixed assets	7,049	82,020
Auditor's remuneration		
- as auditor	10,000	20,000
Operating lease costs		
Other	101,605	80,146
	<u>101,605</u>	<u>80,146</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2007 No	2006 No
Operations	27	25
Administration	15	14
	<u>42</u>	<u>39</u>

The aggregate payroll costs of the above were

	2007 £	2006 £
Wages and salaries	1,288,288	1,268,227
Social security costs	149,160	132,497
Other pension costs	42,817	36,765
	<u>1,480,265</u>	<u>1,437,489</u>

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Emoluments receivable	51,013	201,130
Value of company pension contributions to money purchase schemes	2,133	6,150
	<u>53,146</u>	<u>207,280</u>

Emoluments of highest paid director

	2007	2006
	£	£
Total emoluments (excluding pension contributions)	51,013	139,618
Value of company pension contributions to money purchase schemes	2,133	2,149
	<u>53,146</u>	<u>141,767</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Interest payable on bank borrowing	673,061	301,952
Other similar charges payable	4,160	-
	<u>677,221</u>	<u>301,952</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
Corporation tax	-	-
Over/under provision in prior year	30,761	-
Total current tax	<u>30,761</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(1,615)	161,834
Tax on profit on ordinary activities	<u>29,146</u>	<u>161,834</u>

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

7. TAXATION ON ORDINARY ACTIVITIES *(continued)***(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>152,874</u>	<u>385,659</u>
Profit on ordinary activities by rate of tax	45,862	115,698
Expenses not deductible for tax purposes	(3,124)	2,926
Timing differences on fixed assets	(56,171)	(161,834)
Trading losses carried forwards	57,786	-
Group relief	-	43,210
Under provision in prior year	30,761	-
Effect of change in future rate of tax	(44,353)	-
Total current tax (note 7(a))	<u>30,761</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 November 2006	14,032,442	166,854	15,085	14,214,381
Additions	3,176,340	-	-	3,176,340
Disposals	-	(129,884)	(15,085)	(144,969)
At 31 October 2007	<u>17,208,782</u>	<u>36,970</u>	<u>-</u>	<u>17,245,752</u>
Depreciation				
At 1 November 2006	5,430,465	141,491	15,085	5,587,041
Charge for the year	2,065,058	8,627	-	2,073,685
On disposals	-	(129,884)	(15,085)	(144,969)
At 31 October 2007	<u>7,495,523</u>	<u>20,234</u>	<u>-</u>	<u>7,515,757</u>
Net book value				
At 31 October 2007	<u>9,713,259</u>	<u>16,736</u>	<u>-</u>	<u>9,729,995</u>
At 31 October 2006	<u>8,601,977</u>	<u>25,363</u>	<u>-</u>	<u>8,627,340</u>

9. STOCKS

	2007	2006
	£	£
Finished goods	<u>59,248</u>	<u>50,512</u>

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

10. DEBTORS

	2007	2006
	£	£
Trade debtors	81,840	36,161
Amounts owed by group undertakings	2,254,682	862,135
Corporation tax repayable	–	1,652
Prepayments and accrued income	569,206	535,099
	<u>2,905,728</u>	<u>1,435,047</u>

11. CREDITORS: amounts falling due within one year

	2007	2006
	£	£
Bank loans	1,421,072	1,050,678
Trade creditors	733,041	725,283
Amounts owed to group undertakings	–	1,179,620
Other taxation	178,406	137,676
Accruals and deferred income	247,718	263,064
	<u>2,580,237</u>	<u>3,356,321</u>

12. CREDITORS: amounts falling due after more than one year

	2007	2006
	£	£
Bank loans	<u>8,571,428</u>	<u>6,420,071</u>

13. CREDITORS - LONG-TERM LOANS

Creditors include finance capital which is due for repayment as follows

	2007	2006
	£	£
Amounts repayable		
In one year or less or on demand	1,428,572	1,071,429
In more than one year but not more than two years	1,428,572	1,071,429
In more than two years but not more than five years	4,285,715	3,214,286
In more than five years	2,857,141	2,142,856
	<u>10,000,000</u>	<u>7,500,000</u>
Unamortised loan issue expenses	7,500	29,251
	<u>9,992,500</u>	<u>7,470,749</u>

The loan is secured by a fixed and floating charge over the assets of the company and other group subsidiaries as well as the rental contracts of the company. The loan bears interest at 1.75% above the bank's base rate. The loan is repayable as the company's rental contracts expire over the next seven years, although future drawdowns can be made against future rental contracts up to the amount repaid. The entire loan is due for repayment by 31 March 2010 subject to any extension granted by the lender.

As this loan is a rolling facility over a 7-year period with an initial commitment for 2 years the facility has been disclosed with a 7-year repayment profile.

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Provision brought forward	638,553	476,719
Profit and loss account movement arising during the year	(1,615)	161,834
Provision carried forward	<u>636,938</u>	<u>638,553</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	694,724	638,553
Tax losses available	(57,786)	-
	<u>636,938</u>	<u>638,553</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>36,284</u>	<u>36,284</u>

16. SHARE CAPITAL

Authorised share capital

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid

	2007		2006
	No	£	No
	100	100	100

17. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	801,476	577,651
Profit for the financial year	123,728	223,825
Balance carried forward	<u>925,204</u>	<u>801,476</u>

NOTES TO THE ACCOUNTS

for the year ended 31 October 2007

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2007	2006
	£	£
Profit for the financial year	123,728	223,825
Opening shareholder's funds	801,576	577,751
Closing shareholder's funds	<u>925,304</u>	<u>801,576</u>

19. ULTIMATE PARENT COMPANY

The company's immediate and ultimate holding company is Vanilla Group Limited. Vanilla Group Limited is incorporated in Great Britain and registered in England and Wales. Copies of the group accounts of Vanilla Group Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.