

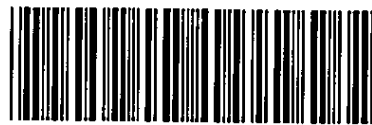
Circuit Launderette Services Limited

Report And Financial Statements

31 October 2008

Rees Pollock
Chartered Accountants

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Circuit Launderette Services Limited

COMPANY INFORMATION

Directors	J Laithwaite S R Laithwaite R H Logan G S Wilkinson R C Cardis
Company secretary	R H Logan
Company number	02944540
Registered office	Meadowcroft Lane Halifax Lane 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

DIRECTORS' REPORT
for the year ended 31 October 2008

The directors present their report and the financial statements for the year ended 31 October 2008.

Principal activities

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

Business review

The company is a wholly-owned subsidiary of Vanilla Group Limited. The Vanilla Group Limited group manages its operations on a group wide basis and the company's position and performance should be viewed in this context. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Vanilla Group Limited group is discussed in the group's directors' report which does not form part of this report.

Principal risks and uncertainties

The principal risk affecting the company relates to any downturn in economic conditions within the markets in which it operates; this is however mitigated on a group basis by the long-term nature of the group's income.

The management of group risks is performed at a group level. Group risks are discussed in the group's directors' report which does not form part of this report.

Results and dividends

The profit for the year, after taxation, amounted to £223,455 (2007 - £123,728).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

J Laithwaite
S R Laithwaite
R H Logan
G S Wilkinson
R C Cardis

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT
for the year ended 31 October 2008

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 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 auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 May 2009 and signed on its behalf.



G S Wilkinson
Director



REES POLLOCK

Chartered Accountants

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

We have audited the financial statements of Circuit Launderette Services Limited for the year ended 31 October 2008, set out on pages 4 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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).

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 31 October 2008 and of its profit for the year 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.

Rees Pollock
Chartered Accountants & Registered Auditors

28 May 2009

Circuit Launderette Services Limited

PROFIT AND LOSS ACCOUNT
for the year ended 31 October 2008

	Note	2008 £	2007 £
TURNOVER	1,2	12,361,590	11,263,170
Cost of sales		(7,916,964)	(7,445,079)
GROSS PROFIT		4,444,626	3,818,091
Administrative expenses		(3,362,782)	(2,987,996)
OPERATING PROFIT	3	1,081,844	830,095
Interest payable	6	(764,116)	(677,221)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		317,728	152,874
Tax on profit on ordinary activities	7	(94,273)	(29,146)
PROFIT FOR THE FINANCIAL YEAR	17	223,455	123,728

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

Circuit Launderette Services Limited

BALANCE SHEET
as at 31 October 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	8		9,285,818		9,729,995
CURRENT ASSETS					
Stocks	9	-		59,248	
Debtors	10	3,704,389		2,905,728	
Cash in hand		3,627		18,936	
		<u>3,708,016</u>		<u>2,983,912</u>	
CREDITORS: amounts falling due within one year	11	<u>(2,655,428)</u>		<u>(2,580,237)</u>	
NET CURRENT ASSETS			<u>1,052,588</u>		<u>403,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,338,406</u>		<u>10,133,670</u>
CREDITORS: amounts falling due after more than one year	12		(8,571,429)		(8,571,428)
PROVISIONS FOR LIABILITIES					
Deferred tax	14		<u>(618,218)</u>		<u>(636,938)</u>
NET ASSETS			<u><u>1,148,759</u></u>		<u><u>925,304</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Profit and loss account	17		<u>1,148,659</u>		<u>925,204</u>
SHAREHOLDERS' FUNDS	18		<u><u>1,148,759</u></u>		<u><u>925,304</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 May 2009.



G S Wilkinson
Director

The notes on pages 6 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard Report 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 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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	over the term of the rental contract
Motor vehicles	-	3 years straight line
Fixtures & fittings	-	2-3 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 obtained 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 FINANCIAL STATEMENTS
for the year ended 31 October 2008

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

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	2,286,761	2,073,685
Auditors' remuneration	10,000	10,000
Operating lease rentals:		
- plant and machinery	63,652	101,605
(Profit)/loss on sale of fixed assets	-	7,049
	<u>2,360,413</u>	<u>2,192,339</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	896,148	1,288,288
Social security costs	99,497	149,160
Other pension costs	28,922	42,817
	<u>1,024,567</u>	<u>1,480,265</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2008 No.	2007 No.
Operations	21	27
Administration	13	15
	<u>34</u>	<u>42</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

5. DIRECTORS' REMUNERATION

	2008	2007
	£	£
Emoluments	-	51,013
Company pension contributions to money purchase pension schemes	-	2,133

During the year retirement benefits were accruing to no directors (2007 - 1) in respect of money purchase pension schemes.

Directors' emoluments for the year were borne by JLA Limited, another subsidiary of Vanilla Group Limited.

6. INTEREST PAYABLE

	2008	2007
	£	£
On bank loans and overdrafts	760,426	673,061
On other loans	3,690	4,160
	<u>764,116</u>	<u>677,221</u>

7. TAXATION

	2008	2007
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	112,993	30,761
Deferred tax (see note 14)		
Origination and reversal of timing differences	(18,720)	(1,615)
Tax on profit on ordinary activities	<u>94,273</u>	<u>29,146</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - lower than) the standard rate of corporation tax in the UK (28%) (2007: 30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	317,728	152,874
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	88,964	45,862
Effects of:		
Expenses not deductible for tax purposes	3,124	(3,124)
Timing differences on fixed assets	76,503	(56,171)
Trading losses carried forwards	(58,853)	57,786
Under provision in prior year	-	30,761
Change in rate of tax during the year	3,255	(44,353)
Current tax charge for the year (see note above)	112,993	30,761

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost			
At 1 November 2007	17,208,782	36,970	17,245,752
Additions	1,842,584	-	1,842,584
Disposals	(644,075)	-	(644,075)
At 31 October 2008	18,407,291	36,970	18,444,261
Depreciation			
At 1 November 2007	7,495,523	20,234	7,515,757
Charge for the year	2,278,143	8,618	2,286,761
On disposals	(644,075)	-	(644,075)
At 31 October 2008	9,129,591	28,852	9,158,443
Net book value			
At 31 October 2008	9,277,700	8,118	9,285,818
At 31 October 2007	9,713,259	16,736	9,729,995

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

9. STOCKS

	2008	2007
	£	£
Finished goods and goods for resale	-	59,248

10. DEBTORS

	2008	2007
	£	£
Trade debtors	95,942	81,840
Amounts owed by group undertakings	2,776,984	2,254,682
Prepayments and accrued income	831,463	569,206
	<u>3,704,389</u>	<u>2,905,728</u>

11. CREDITORS:
Amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	1,428,571	1,421,072
Trade creditors	642,652	733,041
Corporation tax	112,993	-
Social security and other taxes	255,983	178,406
Accruals and deferred income	215,229	247,718
	<u>2,655,428</u>	<u>2,580,237</u>

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

	2008	2007
	£	£
Bank loans	<u>8,571,429</u>	<u>8,571,428</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2008	2007
	£	£
Repayable by instalments	<u>2,857,143</u>	<u>2,857,141</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

13. CREDITORS: LONG-TERM LOANS

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.

	2008 £	2007 £
Amounts repayable:		
In one year or less or on demand	1,428,572	1,428,572
In more than one year but not more than two years	1,428,572	1,428,572
In more than two years but not more than five years	4,285,715	4,285,715
In more than five years	2,857,141	2,857,141
	<u>10,000,000</u>	<u>10,000,000</u>
Unamortised loan issue expenses	-	(7,500)
	<u>10,000,000</u>	<u>9,992,500</u>

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008 £	2007 £
At beginning of year	636,938	638,553
Released during year	(18,720)	(1,615)
	<u>618,218</u>	<u>636,938</u>
At end of year	<u>618,218</u>	<u>636,938</u>

The provision for deferred taxation is made up as follows:

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	618,218	694,724
Tax losses available	-	(57,786)
	<u>618,218</u>	<u>636,938</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

15. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	2008 £	2007 £
Expiry date:		
Between 2 and 5 years	-	36,284

16. SHARE CAPITAL

	2008 £	2007 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

17. RESERVES

	Profit and loss account £
At 1 November 2007	925,204
Profit for the year	223,455
At 31 October 2008	1,148,659

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	925,304	801,576
Profit for the year	223,455	123,728
Closing shareholders' funds	1,148,759	925,304

19. GUARANTEES

The company makes use of bank facilities agreed on a group wide basis together with other companies under the control of Vanilla Group Limited, whereby each company guarantees the borrowings of the others. Full details of the group's assets and liabilities are disclosed in the accounts of Vanilla Group Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate holding company at the balance sheet date was 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. At the date of approval of these accounts the ultimate parent company is Inhoco 3498 Limited.