

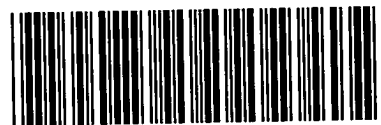
Company Registration No. 02944540

Circuit Launderette Services Limited

Report and Financial Statements

31 October 2014

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Circuit Launderette Services Limited

Report and financial statements 2014

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Circuit Launderette Services Limited

Report and financial statements 2014

Officers and professional advisers

Directors

S Baxter
P Humphreys

Registered Office

Meadowcroft Lane
Halifax Road
Ripponden
West Yorkshire
HX6 4AJ

Bankers

Lloyds Bank
Church Street
Sheffield
S1 2FF

Auditor

Deloitte LLP
Chartered Accountants & Statutory Auditor
Leeds

Circuit Launderette Services Limited

Strategic report

The directors present their annual report and the audited financial statements for the year ended 31 October 2014.

Business strategy

Circuit Launderette Services Limited is part of the JLA Group.

Over the last few years the Board of the JLA Group, have developed a very clear strategic vision which is being successfully deployed within the business. The strategy will look to continue to grow market share within the existing core business segments, along with identifying opportunities for growth in adjacent markets through both organic product and service development and strategic acquisitions.

The group will continue to provide a complete sales, service and finance solution to support its customer base, both existing and new, through the whole life cycle of their critical assets that are operated within their business. Through the group's unique sales infrastructure and national service support capability, it will bring new product offerings to the existing customer base and gain market share within adjacent targeted markets.

The group will continue to invest in its sales and service capability in the laundry and catering divisions. The group will also continue to keep the key customer promise made at the point of sale, where service excellence is guaranteed 365 days a year - 24/7 to maintain their critical asset base.

The group's ambitious growth plans are underpinned by a robust deployment plan which has allowed the business to cascade the strategy down through the organisation. The ten specific strategic work-streams, of which six are associated to revenue growth and four to drive operational excellence, will deliver the strategic vision and are supported by both the significant cash generation from the business and an appropriate level of bank funding.

Business review

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

The company's key performance targets are to grow income and profits in the long term. In the year under review, turnover has increased by 9% to £20,477,000 (2013: £18,817,000) which has been achieved through a combination of organic growth and the promotion of new products and services. Profit before tax has increased from £2,226,000 to £3,571,000.

The balance sheet on page 9 shows the company's financial position at the year end. Net assets increased from £9,046,000 to £12,657,000. The company's financial position was considered satisfactory in terms of working capital and the directors believe the company to be well positioned for future growth. Further details of the company's funding can be found below.

The profit for the year, after taxation, amounted to £3,611,000 (2013 - £2,287,000).

The directors do not recommend the payment of a dividend.

Circuit Launderette Services Limited

Strategic report (continued)

Future developments

The Board has plans to grow the business significantly, both in terms of revenue and profitability through organic growth within its existing core market segments and through acquisition in adjacent market sectors, which have similar market characteristics and leverage the unique JLA business model.

Principal risks and uncertainties

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

The management of group risks is performed on a consolidated basis at the ultimate parent group level. Group risks are discussed in the JLA Equityco Limited's directors' report which does not form part of this report.

Going concern

The financial results of the company and the future developments are discussed above.

On 30 July 2014, the group updated its loan facilities and secured an additional £37m to extend the existing term loan facility. The new facilities comprise a £127m term loan facility to be repaid on 30 July 2019 and a £7.5m revolving credit facility to be repaid on 30 January 2019.

Furthermore on 19 June 2015 the revolving credit facility was extended by a further £5,000,000 to £12,500,000 to be repaid on 30 January 2019.

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

Following the refinancing, the group headed by JLA Equityco Limited has considerable financial resources, together with significant forecast cash generation from operations. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, and reviewing forecasts which cover a period exceeding 12 months from the date of signature of the financial statements, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future, taking into account reasonably possible changes in trading. Accordingly, they have adopted the going concern basis in preparing the annual report and financial statements.

Approved by the Board of Directors and signed on behalf of the Board



P Humphreys
Director

29 July 2015

Circuit Launderette Services Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 October 2014.

Principal activities

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

Directors

The directors who served during the year and subsequently were:

S Baxter

A Barr (resigned 23 January 2015)

P Humphreys (appointed 22 October 2014)

Provision of information to the auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern and financial risk management objectives and policies

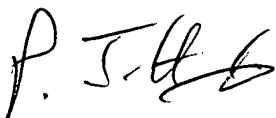
The directors set out in the Strategic Report:

- the reasoning for the adoption of the going concern basis in preparing the annual report and accounts for the company; and
- the financial risk management objectives and policies of the company.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



P Humphreys

Director

29 July 2015

Circuit Launderette Services Limited

Directors' responsibilities statement

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). 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;
- 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; 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 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 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.

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 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As more fully explained in the Directors' Responsibilities Statement, 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 Practice Board's Ethical Standards for Auditors.

Scope of the audit of 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2014 and of its profit for the year 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 matters prescribed in the Companies Act 2006

In our opinion the information in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Circuit Launderette Services 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.



Simon Manning (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds

29 July 2015

Circuit Launderette Services Limited

Profit and loss account Year ended 31 October 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	20,477	18,817
Cost of sales		(12,347)	(11,294)
Gross profit		8,130	7,523
Administrative expenses		(4,559)	(5,317)
Operating profit	3	3,571	2,206
Interest receivable	5	-	20
Profit on ordinary activities before taxation		3,571	2,226
Tax on profit on ordinary activities	6	40	61
Profit for the financial year	12, 13	3,611	2,287

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

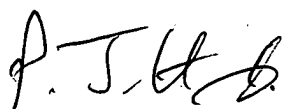
Circuit Launderette Services Limited

Balance sheet As at 31 October 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible fixed assets	7	12,739	11,981
Current assets			
Debtors	8	7,894	9,342
Cash in hand		2,447	2,609
		<u>10,341</u>	<u>11,951</u>
Creditors: amounts falling due within one year	9	<u>(10,000)</u>	<u>(14,488)</u>
Net current liabilities		<u>341</u>	<u>(2,537)</u>
Total assets less current liabilities		<u>13,080</u>	<u>9,444</u>
Provisions for liabilities	10	<u>(423)</u>	<u>(398)</u>
Net assets		<u><u>12,657</u></u>	<u><u>9,046</u></u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	<u>12,657</u>	<u>9,046</u>
Shareholders' funds	13	<u><u>12,657</u></u>	<u><u>9,046</u></u>

The financial statements of Circuit Launderette Services Limited registered number 02944540 were approved and authorised by the Board of Directors on 29 July 2015.

Signed on behalf of the Board of Directors



P Humphreys
Director

Circuit Launderette Services Limited

Notes to the financial statements Year ended 31 October 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied on a consistent basis in the current and prior year. The accounts have been prepared on a going concern basis. Further detail is given in the strategic report.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company's cash flows in its own published consolidated cash flow statement.

Related parties transactions

The company has taken advantage of the exemption granted by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other group companies.

Pension costs

The company participates in a group money purchase pension scheme. Contributions payable for the year in respect of the company's employees are charged to the profit and loss account.

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. Turnover represents the amounts receivable from customers during the year and is recognised at the date of provision of service.

Tangible fixed assets

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 and machinery	- on a straight line basis up to 16 years
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Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Circuit Launderette Services Limited

Notes to the financial statements Year ended 31 October 2014

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company which is operating managed laundries and arise wholly within the United Kingdom.

3. Operating profit

	2014 £'000	2013 £'000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the company	2,214	2,047
Auditor's remuneration for audit services:		
Fees payable to the company's auditor for the audit of the company's annual accounts	12	11
	<u>12</u>	<u>11</u>

During the year, no director received any emoluments (2013 - £nil).

4. Staff costs

Staff costs were as follows:

	2014 £'000	2013 £'000
Wages and salaries	1,058	924
Social security costs	126	117
Other pension costs	28	22
	<u>1,212</u>	<u>1,063</u>

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

	2014 No.	2013 No.
Operations	18	16
Administration	8	7
	<u>26</u>	<u>23</u>

5. Interest receivable

	2014 £000	2013 £000
Bank interest	-	20
	<u>-</u>	<u>20</u>

Circuit Launderette Services Limited

Notes to the financial statements Year ended 31 October 2014

6. Taxation

	2013 £'000	2013 £'000
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax credit on profit for the year	(65)	(31)
	<u>(65)</u>	<u>(31)</u>
Deferred tax (see note 10)		
Origination and reversal of timing differences	25	26
Rate change	-	(56)
	<u>25</u>	<u>(30)</u>
Tax on profit on ordinary activities	<u>(40)</u>	<u>(61)</u>

Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK 21.9% (2013: 23.4%). The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	<u>3,571</u>	<u>2,226</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.9% (2013 – 23.4%)	782	521
Effects of:		
Expenses not deductible for tax purposes	2	8
Timing differences on fixed assets	(27)	(31)
Prior period adjustment	(64)	(31)
Group relief	(758)	(498)
Current tax credit for the year (see note above)	<u>(65)</u>	<u>(31)</u>

Circuit Launderette Services Limited

Notes to the financial statements Year ended 31 October 2014

7. Tangible fixed assets

	Plant and machinery £000	Total £000
Cost		
At 1 November 2013	29,884	29,884
Additions	3,074	3,074
Disposals	(105)	(105)
At 31 October 2014	32,853	32,853
Depreciation		
At 1 November 2013	17,903	17,903
Charge for the year	2,214	2,214
Disposals	(3)	(3)
At 31 October 2014	20,114	20,114
Net book value		
At 31 October 2014	12,739	12,739
At 31 October 2013	11,981	11,981

8. Debtors

	2014 £'000	2013 £'000
Trade debtors	5	10
Amounts owed by group undertakings	7,814	9,163
Prepayments and accrued income	75	169
	7,894	9,342

9. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	1,877	1,832
Corporation tax	-	65
Social security and other taxes	436	369
Amounts owed to group undertakings	6,075	11,229
Accruals and deferred income	1,612	993
	10,000	14,488

Circuit Launderette Services Limited

Notes to the financial statements Year ended 31 October 2014

10. Provision for liabilities

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

	2014 £'000	2013 £'000
At beginning of year	398	428
Charge/(credit) during the year	25	(30)
At end of year	<u>423</u>	<u>398</u>

The provision for deferred taxation is made up as follows:

	2014 £'000	2013 £'000
Excess of taxation allowances over depreciation on fixed assets	<u>423</u>	<u>398</u>

There are no unprovided elements of deferred taxation in the current or prior year.

11. Share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. Reserves

	Profit and loss account £'000
At 1 November 2013	9,046
Profit for the year	<u>3,611</u>
At 31 October 2014	<u>12,657</u>

13. Reconciliation of movement in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	9,046	6,759
Profit for the year	<u>3,611</u>	<u>2,287</u>
Closing shareholders' funds	<u>12,657</u>	<u>9,046</u>

Circuit Launderette Services Limited

Notes to the financial statements Year ended 31 October 2014

14. Guarantee

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

15. Ultimate parent undertaking and controlling party

The company's immediate holding company is Vanilla Group Limited and the ultimate holding company is JLA Equityco Limited, which is incorporated in England and Wales and domiciled in the UK.

The largest group in which the results of the Company are consolidated is that headed by JLA Equityco Limited. The smallest group in which they are consolidated is headed by JLA Clean Limited. No other group financial statements include the results of the company.

The consolidated financial statements of these groups are available to the public and may be obtained from Companies House.

According to the register maintained by the group, a number of limited partnerships which are managed by Hg Pooled Management Limited (holding through a nominee company) held a significant interest in the ordinary shares of the ultimate parent company at 31 October 2014. The directors deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed by Hg Pooled Management Limited has an ownership of more than 20% of the issued share capital of the ultimate parent company.