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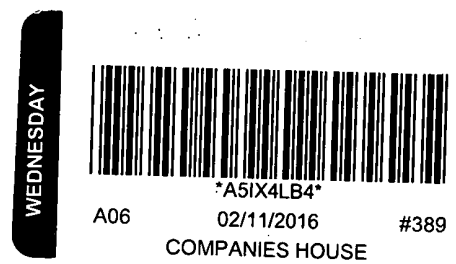
CLEAN Viking Holdings Limited

Report and Financial Statements

16 month period ended

26 March 2016

Company Number 09325421



CLEAN Viking Holdings Limited

**Report and financial statements
for the 16 month period ended 26 March 2016**

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Directors

B S Johal
L D Jones
J C Miller
M Oxley
K J Wilson

Registered office

Clean House, Grove Business Park, Waltham Road, White Waltham, Berkshire, SL6 3TN

Company number

09325421

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

CLEAN Viking Holdings Limited

Strategic report for the 16 month period ended 26 March 2016

Strategic review

CLEAN Viking Holdings Limited ("the Company") was incorporated on 24 November 2014, subsequently becoming the ultimate parent company to the CLEAN group ("the Group"), with the primary trading operation within CLEAN Linen Services Limited. The formation of the new group structure followed MML Capital Partners ("MML") investment in CLEAN Linen Services Limited on 12 December 2014, providing CLEAN excellent financial backing and enabling CLEAN to quickly expand whilst driving efficiency and quality standards and further build upon CLEAN's prestigious heritage and market position.

Subsequent to MML's investment, on 5 October 2015, CLEAN acquired the trade and assets of Watford Launderers and Dry Cleaners Ltd, strengthening CLEAN's South East presence and enabling the launch of CLEAN Premier, a service tailored to the 5 star hospitality sector, aligned to much of the acquired client base.

Following a short period of integration, on 22 December 2015, CLEAN wholly acquired the Stevens-Hatherley group of companies, trading as Paragon, thereby increasing revenues twofold and consolidating CLEAN's position as one of the primary providers of flatwork linen to the hospitality sector. Facilitating this deal, CLEAN restructured its debt facilities, partnering with Permira and Santander to offer scaled and flexible financing to support the Paragon acquisition and provide further headroom for additional M&A activity.

Continuing its rapid expansion, on 4 February 2016, CLEAN announced a commitment to develop a purpose built 'super' laundry based in Slough. It is intended the new laundry will be world class and industry leading in terms of machinery and production. It has been designed to provide our customers with the very best service, featuring many new technological developments, whilst embracing environmental considerations with a significant focus on optimising the usage of energy and chemicals.

To support the Group's rapid expansion, CLEAN relocated to a new, dedicated head office facility in Maidenhead on 15 February 2016, providing office space for 100 head office personnel. The facilities represent the modern and changing face of CLEAN's business and provide a professional platform from which to continue its expansion.

On 26 March 2016, to optimise operating efficiency and customer service, CLEAN combined its trading operations, transferring the trade and assets from its Paragon and Watford acquisitions, into its core CLEAN Linen Services Limited business.

The Group invested significantly in strengthening its talent pool and central overhead to ensure it maintained an excellent position to successfully integrate and deliver optimum customer service throughout, whilst retaining solid results and is delighted to have reported EBITDA before exceptional costs of £4.3m in period, primarily reflecting 15 months of trade within CLEAN Linen Services Limited and 3 months of Stevens-Hatherley Holdings Limited. Facilitating the acquisitions and integration, the Group bore exceptional costs of £2.7m and a further £1.3m of amortisation of intangibles, consequently reporting an operating loss of £2.6m. Group interest charges for the 16 month period amount to £4.4m, the majority of this being non cash. The Group has continued to meet its objectives, pre and post investment.

Operational review

Underpinning the success of the Group was another exceptional year for CLEAN Linen Services Limited, once more showing organic growth in year and continuing its decade of progression. CLEAN won further prestigious customers in period, whilst maintaining its high customer retention levels and in so doing has improved customer service further.

Complementing CLEAN's own development, management spent much of the year integrating Paragon and Watford. Concurrently, the Group is incredibly proud to have driven even higher customer service levels through leveraging our larger scale and infrastructure, better aligning customers to specific sites. All entities now operate under the CLEAN brand, to a common operating culture and to defined and consistent working practices. The Group has an exceptional team to continue to prosper and put our clients at the forefront of everything that we do.

CLEAN Viking Holdings Limited

Strategic report for the 16 month period ended 26 March 2016 (*continued*)

Operational review (*continued*)

As a discrete entity, Paragon also achieved further organic growth and strong earnings in year, and, as with CLEAN, this continues a trend of sustained growth over the decade. Complemented by the acquisition of Watford, CLEAN is now ideally placed to support and grow national business and now services clients across the majority of the United Kingdom.

To drive further momentum in the Group's expansion we are delighted to welcome a new COO, Robert King, to the Operating Board alongside our new CCO Steve Clarke, each bringing a wealth of experience, talent and energy to the Group and ensuring our management capability remains at the forefront in our sector. The Group recruited heavily at all levels, whilst centralising some functions to the new Maidenhead head office, and have an exceptional talent pool to scale and propel the Group forwards.

CLEAN continues to maintain its focus between controlled top line growth and quality of earnings improvement, whilst enhancing its customer service and product offering. The Group will continue to concentrate on developing best in class operations, with an emphasis on first class customer services, plant operations and distribution, underpinned by a leading health and safety environment and an informed and educated employee base. We continue our strategic investment in improving core operational infrastructure which has assisted strong quality of earnings and a robust and scalable infrastructure.

The various initiatives we are pursuing place us in an excellent position at the year-end, well positioned for strong results should economic pressures place pressure on the sector and equally well placed to capitalise on market growth.

EU Referendum

The Group's business activities closely align to the hospitality sector and therefore uncertainties surrounding occupancy, tourism and business travel could have a profound business effect. The implications of the EU referendum result remain uncertain yet we consider currency fluctuations to be advantageous, by virtue of encouraging higher tourist numbers in the short term. Conversely linen is procured from outside the EU and could be subject to inflationary pressure, a risk in part mitigated by ordering at fixed price some six months in advance.

Corporate and social responsibilities

At CLEAN, we believe that people are the heart of our business and fundamental to our long-term success. We acknowledge our responsibility to be a good corporate citizen and to make a positive difference to the UK in all our engagements with our customers, employees, suppliers, partners and the general public. Through listening and responding to the needs and interests of our stakeholders, complying with local laws and regulations, demonstrating accountable, transparent and ethical business standards, mitigating risks to the environment, and protecting human rights, CLEAN is unswerving in its consideration of the economic, social and environmental impacts of all its activities.

CLEAN is committed to the provision of high-quality responsible textile services and laundry solutions supported by integrated quality, service, health & safety, environmental, human resource and social accountability management systems. To underpin our Quality of Service objectives, we operate and maintain an Integrated Management System ("IMS") embracing best practice standards. The IMS provides an essential framework of performance reviews which enables us to ensure that continual improvement is a key process in all of our business activities.

Health and safety

CLEAN wholeheartedly supports the principles of mutual trust and respect in the workplace, fostering an environment where health and safety is paramount and diversity and inclusion are truly valued.

CLEAN operates with an OHSAS 18001-compliant Safety Management System, and has an excellent safety record. CLEAN holds accreditations including the Gold Award by the Royal Society for the Prevention of Accidents (RoSPA).

CLEAN Viking Holdings Limited

Strategic report for the 16 month period ended 26 March 2016 (*continued*)

The Environment

Our environmental responsibilities and the impacts that we have on our surroundings are extremely important.

We operate an Environmental Management System, based on ISO 14001, to ensure that we meet and, where possible, exceed those responsibilities. The Group strives to reduce our carbon footprint year-on-year, subscribing to a carbon reduction programme and a Climate Change Agreement through our trade association, the TSA and holds the Gold standard 'Green Apple' environmental award.

We invest heavily to optimise alternative liquid cleanser technology and modernise the delivery of soaps, bleaches and conditioners to the wash process, thereby reducing the related environmental impact and also continue to invest in fleet technology to route our vehicles as effectively and efficiently as possible, thus lowering our environmental impact through reduced exhaust fumes and the use of carbon-based fuels.

We continually seek improved energy-efficient processes and equipment and work closely with our suppliers to achieve this.

Quality of service

At CLEAN, we regard our quality standards as being within the highest in the laundry sector.

Stringent quality checks are conducted throughout our processing, packing and delivery processes, ensuring that our products and services remain of high standard. Continuous investment in our linen pool, together with exacting manufacturing standards at our appointed mills, ensures the quality and integrity of our linen and towelling. Our garments and work wear are sourced from recognised and established manufacturers and well suited for the rigours of an industrial laundry process and the working environment requirements.

We hold ISO 9001 Certification, an internationally-recognised quality standard, issued by the British Standards Institute, demonstrating that we are compliant with the required quality procedures and that our customers' needs are always our first consideration.

Future developments

The Group will continue to value and uphold the principles which have underpinned our success, keeping the customer central to all that we do. Accordingly we will endeavour to consolidate our leading position and investigate suitable development and expansion opportunities where we feel these will strengthen our customer offerings. CLEAN will continue its best in class review activities as it continues to grow, in order to maximise its efficiencies and benefits.

Key performance indicators

The senior management of the Group focus on a number of key performance indicators, including revenue as a primary measure during the period of rapid expansion. Revenue, along with other measures, is monitored regularly with explanations sought for variances against expectations. Management have reviewed the key performance indicators during the period and are satisfied with the results.

Turnover for the 15 months from first acquisition is £48.0m. Continuing the trend of recent years, and against a challenging and increasingly competitive market, the Group is delighted with the significant growth across the period.

CLEAN Viking Holdings Limited

Strategic report for the 16 month period ended 26 March 2016 (continued)

Key performance indicators (continued)

Table of key performance indicators:-

	15.5 months £	6 months £	3 months £	Total £	12 Months FY16	12 Months FY15
Turnover Organic - CLS	37.9			37.9	29.9	29.0
Turnover Acquisitive – Watford		2.0		2.0		
Turnover Acquisitive – Paragon			8.1	8.1		
Total Turnover	37.9	2.0	8.1	48.0		
Number of laundry facilities	4	1	4	9	4	4

Principal risks and uncertainties

As the business continues to implement its strategy and demonstrates revenue growth in line with its strategic business plan, senior management and the Board review monthly performance reports and assess the financial position of the Group. This includes cash flow projections in order to ensure that the working capital and net debt position is actively managed and that sufficient headroom exists for the debt covenants for at least a forward-looking twelve-month period. The directors review and agree policies for managing each of these principal risks and they are summarised below:

Market risk

The textile rental market is subject to fluctuations of demand by customers. These fluctuations are linked to the economic cycle and changes in the spending patterns of consumers. Additionally the sector is exposed to textile price fluctuation and accordingly CLEAN works in close tandem with a number of key vendors and it is important to maintain strong relationships and terms of business with these partners.

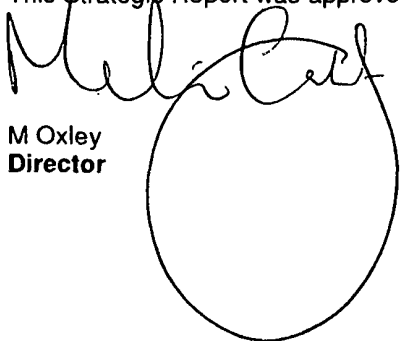
Operational risk

This relates to the risk of financial loss resulting from internal processes, people and systems. The Group manages this risk through appropriate internal controls and proactive intervention, such as management reporting systems, insurances, business interruption and disaster recovery planning.

Approval

This Strategic Report was approved by order of the Board on

3.1.16



M Oxley
Director

CLEAN Viking Holdings Limited

Report of the directors for the 16 month period ended 26 March 2016

The directors present their report together with the audited financial statements for the 16 month period from the date of incorporation on 24 November 2014 to the company's period end on 26 March 2016.

Principal activities

CLEAN Viking Holdings Limited is the parent company of a group principally engaged in linen and garment rental services which operates through nine processing plants principally situated across Southern England and the Midlands.

Business review

The principal activities of the Company are set out in the Strategic Report on pages 1 to 4. The Strategic Report includes details of the business overview; principal risks and uncertainties; key performance indicators and a summary of the financial performance for the 16 month period ended 26 March 2016.

Results and dividends

The consolidated statement of total comprehensive income is set out on page 10 and shows the Group's loss before tax of £6,980,413 for the 16 month period from incorporation. No dividends are able to be paid.

Going concern

After carrying out a comprehensive review and evaluation of the principal risks and uncertainties faced by the business, the directors believe that the Company and Group are well placed to manage their risks and cash flows effectively. With appropriate bank facilities in place to underpin the strategic business plan, the directors consider that the Company and Group will have sufficient resources to continue in operational existence for the foreseeable future and that the adoption of going concern basis is appropriate when preparing the financial statements.

Research & Development

The laundry industry has become increasingly complex over the year. The industry is competitive and development is vital in order to help the Company maintain its competitive edge. CLEAN undertakes research and development to improve the technical processes at the plants, including the mechanical handling, the products themselves and the cleaning methodologies. Further research and development is undertaken with the aim of meeting complex logistical requirements involved in the delivery and collection of laundry products from its customers. Such developments help ensure the laundry process is optimised, product life is extended, chemical cleaning is thorough and logistical time and costs are efficiently managed, as well as mitigating related environmental impact.

Likely future developments in the business

Information on likely future developments in the business has been included in the Strategic Report on pages 1 to 4.

Financial Risk Management

Credit risk

The Group is exposed to risk associated with the potential failure of customers particularly during an economic downturn and the risk of a financial loss if another party fails to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. The Group has a very large customer base and the directors consider the risk of customer default is well spread.

CLEAN Viking Holdings Limited

Report of the directors for the 16 month period ended 26 March 2016 (*continued*)

Financial Risk Management (*continued*)

Interest rate risk

The Group is exposed to fluctuations in LIBOR on which the interest charges for the Group's bank facilities are based (as set out in the notes to the accounts). The Group monitors interest rate movement to ensure risk is managed within its LIBOR floor threshold.

Liquidity risk

This relates to the risk that the Group is unable to fund its requirements because of insufficient banking facilities. The Group manages liquidity risk via invoice discounting, revolving credit facilities, HP and long-term debt.

Directors

The directors of the Company appointed during the period from incorporation:

B S Johal	(appointed on 24 November 2014)
L D Jones	(appointed on 24 November 2014)
J C Miller	(appointed on 12 December 2014)
M Oxley	(appointed on 12 December 2014)
K J Wilson	(appointed on 24 April 2015)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of CLEAN Viking Holdings Limited.

Employee involvement

The company's policy is to consult and discuss with employees, through staff councils and at meetings of employee groups, any matters likely to affect employees' interests. Information on matters of concern to employees is given through employee involvement teams, company meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Post Balance Sheet Events

Subsequent to the year end in October 2016, CLEAN opened a new laundry facility in Slough. The new facility is ideally located to service the South East and London. Aligned to this opening, in October 2016, CLEAN closed its primary operations at its Maidenhead site, moving these to either new capacity at the Slough site or to its modernised Cheltenham site. The move will enable delivery of improved customer service and trading performance. The Board have also agreed and announced that from November 2016, CLEAN will close its Watford site, and will transfer most of the customer base to the Slough site. The combined financial effect of these strategic changes cannot easily be determined, but is intended to prove financially beneficial with lower fixed and operational costs, in part offset by the cost of investment.

CLEAN Viking Holdings Limited

Report of the directors for the 16 month period ended 26 March 2016 (continued)

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 year. Under that law the directors have elected to prepare the group and company 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 group and company and of the profit or loss of the group and 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 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;
- 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.

Auditors

All of the directors as at the date of this report have taken all the 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. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

BDO LLP were appointed as the company's first auditor on 18 July 2015. BDO LLP have expressed their willingness to continue in office.

Approval

This Directors' Report was approved by the Board on 31/03/16


M Oxley
Director

CLEAN Viking Holdings Limited

Independent auditor's report

TO THE MEMBERS OF CLEAN VIKING HOLDINGS LIMITED

We have audited the financial statements of CLEAN Viking Holdings Limited for the 16 month period ended 26 March 2016 which comprise the consolidated statement of total comprehensive income, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated and company statement of changes in equity 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).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 26 March 2016 and of the group's loss for the 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

CLEAN Viking Holdings Limited

Independent auditor's report (*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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Brooker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

Date 1 November 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CLEAN Viking Holdings Limited

Consolidated statement of total comprehensive income for the 16 month period ended 26 March 2016

	Note	16 months ended 26 March 2016 £
Turnover	3	47,995,968
Cost of sales		(41,032,680)
Gross profit		6,963,288
Administrative expenses		(6,843,955)
Exceptional administrative costs		(2,720,112)
Total administrative expenses		(9,564,067)
Operating profit before amortisation and depreciation	4	1,574,296
Amortisation	11	(1,344,085)
Depreciation	13	(2,830,990)
Operating loss	4	(2,600,779)
Interest payable and similar charges	7	(4,400,101)
Interest receivable and similar charges	8	15,746
Share of profit of associate		4,721
Loss on ordinary activities before taxation		(6,980,413)
Taxation on loss on ordinary activities	9	240,436
Loss for the financial period		(6,739,977)
Other comprehensive income for the period		-
Total comprehensive loss for the period		(6,739,977)
Loss and total comprehensive loss for the financial year attributable to:		
Non-controlling interest		(1,160)
Owners of the parent company		(6,738,817)
		(6,739,977)

The notes on pages 16 to 47 form part of these financial statements.

CLEAN Viking Holdings Limited

Consolidated balance sheet
at 26 March 2016

	Note	£	£
Fixed assets			
Intangible assets	11		15,256,859
Negative goodwill	12		-
Tangible assets	13		23,164,181
			<u>38,421,040</u>
Current assets			
Stocks	15	1,091,567	
Debtors	16	25,815,433	
Cash at bank and in hand		4,250,601	
		<u>31,157,601</u>	
Creditors: amounts falling due within one year	17	(11,760,811)	
		<u>19,396,790</u>	
Net current assets			<u>19,396,790</u>
Total assets less current liabilities			<u>57,817,830</u>
Creditors: amounts falling due after more than one year	18	(60,824,480)	
Provisions for liabilities	20	(3,458,302)	
		<u>(6,464,952)</u>	
Net liabilities			<u>(6,464,952)</u>
Capital and reserves			
Called up share capital	21	1,940	
Share premium	21	159,679	
Profit and loss account		(6,738,817)	
		<u>(6,577,198)</u>	
Equity attributable to the owners of the parent company			<u>(6,577,198)</u>
Non-controlling interest			<u>112,246</u>
			<u>(6,464,952)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31.12.16

Martin Oxley
Director

CLEAN Viking Holdings Limited registered number 09325421
The notes on pages 16 to 47 form part of these financial statements.

CLEAN Viking Holdings Limited

Consolidated statement of changes in equity
for the 16 month period ended 26 March 2016

	Share capital £	Share premium £	Profit and loss account £	Attributable to parent £	Non- controlling interest £	Total equity £
Opening balance at incorporation	-*	-	-	-	-	-
<i>Comprehensive income for the period:</i>						
Loss for the period	-	-	(6,738,817)	(6,738,817)	(1,160)	(6,739,977)
Loss and total comprehensive income for the period	-	-	(6,738,817)	(6,738,817)	(1,160)	(6,739,977)
<i>Contributions by and distributions to owners:</i>						
Issued share capital	1,940	159,679	-	161,619	-	161,619
Non-controlling interest on acquisition	-	-	-	-	113,406	113,406
Total contributions by and distributions to owners	1,940	159,679	-	161,619	113,406	275,025
At 26 March 2016	1,940	159,679	(6,738,817)	(6,577,198)	112,246	(6,464,952)

* On incorporation 1 ordinary A share was in issue at an aggregate nominal value of £0.01.

The notes on pages 16 to 47 form part of these financial statements.

CLEAN Viking Holdings Limited

Consolidated statement of cash flows for the 16 month period ended 26 March 2016

	Note	16 months ended 26 March 2016 £
Cash flows from operating activities		
Operating loss for the financial period		(2,600,779)
Adjustments for:		
Depreciation of tangible fixed assets	13	2,830,989
Amortisation of intangible fixed assets	11	1,344,085
Increase in trade and other debtors		(563,351)
Decrease in stocks		305,029
Decrease in trade creditors		(4,046,087)
Increase in provisions		498,000
Profit on sale of tangible fixed assets		2,607
Cash from operations		(2,229,507)
Interest paid		(355,690)
Taxation paid		(442,604)
Net cash used in operating activities		(3,027,801)
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets		10,667
Purchases of tangible fixed assets	13	(4,038,222)
Purchase of subsidiary undertakings	22	(24,669,221)
Net cash acquired with subsidiary undertakings	22	(533,314)
Directly attributable costs of investments in business combinations	22	(570,838)
Net cash used in investing activities		(29,800,928)
Cash flows from financing activities		
Capital element of bank loan repaid		(11,550,228)
Capital element of finance leases repaid		(2,313,672)
Issue of loan notes	18	16,576,000
Issue of Loan	18	38,000,000
Debt issue costs incurred		(3,733,900)
Issue of share capital		101,130
Net cash from financing activities		37,079,330
Net increase/(decrease) in cash and cash equivalents		4,250,601
Cash and cash equivalents at incorporation date		-
Cash and cash equivalents at end of period		4,250,601
Cash and cash equivalents comprise:		
Cash at bank and in hand		4,250,601
Bank overdrafts		-
		4,250,601

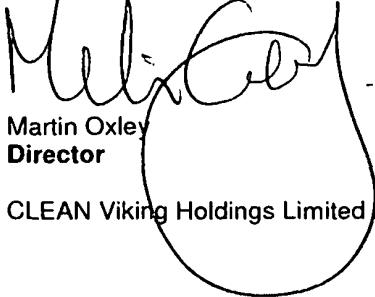
The notes on pages 16 to 47 form part of these financial statements.

CLEAN Viking Holdings Limited

Company balance sheet at 26 March 2016

	Note	£
Fixed assets		
Investments	14	5,765,943
Current assets		
Debtors	16	197,130
Total assets less current liabilities		5,963,073
Creditors: amounts falling due after more than one year	18	(6,566,811)
Net Liabilities		(603,738)
Capital and reserves		
Called up share capital	21	1,940
Share premium	21	159,679
Profit and loss account		(765,357)
Shareholders' deficit		(603,738)

The financial statements were approved by the Board of Directors and authorised for issue on 3.1.2016



Martin Oxley
Director

CLEAN Viking Holdings Limited registered number 09325421

The notes on pages 16 to 47 form part of these financial statements.

CLEAN Viking Holdings Limited

Company statement of changes in equity for the 16 month period ended 26 March 2016

	Share capital £	Share premium £	Profit and loss account £	Total equity £
Opening balance at incorporation	-*	-	-	-
<i>Comprehensive income for the period:</i>				
Loss for the period	-	-	(765,357)	(765,357)
Loss and total comprehensive income for the period	-	-	(765,357)	(765,357)
<i>Contributions by and distributions to owners:</i>				
Issued share capital	1,940	159,679	-	161,619
Total contributions by and distributions to owners	1,940	159,679	-	161,619
At 26 March 2016	1,940	159,679	(765,357)	(603,738)

* On incorporation 1 ordinary A share was in issue at an aggregate nominal value of £0.01.

The notes on pages 16 to 47 form part of these financial statements.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016

1 Accounting policies

Clean Viking Holdings Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 but may be applied early to periods ending on or after 1 April 2015. CLEAN Viking Holdings Limited has taken the option to apply the standard early in the preparation of these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of CLEAN Viking Holdings Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Going concern

After carrying out a comprehensive review and evaluation of the principal risks and uncertainties faced by the business, the directors believe that the Company and Group are well placed to manage their risks and cash flows effectively. With appropriate bank facilities in place to underpin the strategic business plan, the directors consider that the Company and Group will have sufficient resources to continue in operational existence for the foreseeable future and that the adoption of going concern basis is appropriate when preparing the financial statements.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

1 Accounting policies (*continued*)

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Revenue

Revenue from the services is recognised when the Group has transferred the significant risks and rewards of the service to the buyer and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the services are delivered to the buyer. Where the buyer has a right of return, the Group defers recognition of revenue until the right to return has lapsed.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold property	-	at 2% on cost
Plant and machinery	-	at rates varying from 5% to 20% on cost
Motor vehicles	-	at 25% on cost
Fixtures, fittings and equipment	-	at rates varying from 10% to 25% on cost

Market value of land and buildings

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since its last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

1 Accounting policies (*continued*)

Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market value of the property compared to the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell.

Pooled rental linen and workwear

Pool rental linen is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the linen over two years and work wear over three years.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

1 Accounting policies (*continued*)

Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. Goodwill is being amortised over a 6 to 7 year period.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Where the fair value of assets exceeds the fair value of the consideration for an acquired undertaking, the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss accounts over its useful economic life.

b) Other intangible assets

Where an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. Amortisation is charged to administration expenses in profit and loss so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Customer Relationships - 10 years

The initial fair value at the acquisition date and estimated useful lives of intangible assets is derived by reference to an independent valuation report.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation (continued)

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not discounted.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2012) to continue to be charged over the period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 January 2012, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Administrative exceptional costs

Administrative exceptional costs are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine the market rate of interest on issued loan notes having been treated as a financing transaction. Factors taken into consideration in reaching such a decision include assessing similar debt instruments within an active market, consideration of the cost of debt and cost of equity in the business and assessing the impact of rates in relation to the ratio of debt to equity.

Other key sources of estimation uncertainty

- *Tangible fixed assets*
Tangible fixed assets, other than investment properties, are depreciated over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Land & Buildings, including investment properties, are held at market value. The Directors undertake an assessment of indications of changes in the market value.
- *Intangibles*
The Directors use their judgement to determine the extent to which goodwill and other capitalised intangible assets have a value that will benefit the performance of the Group over future periods. To assist in making this judgement, the Directors undertake an assessment, at least annually, of the carrying value of the Group's capitalised goodwill and other intangible assets.
- *Pooled rental linen*
Pooled linen is expensed over its useful economic life, which has been determined to be two years for linen and three years for work wear. These estimates are based on past operational experience and considered in light of industry competitors. The actual lives of the assets are assessed annually and may vary depending on a number of factors.
- *Creditors, provisions and liabilities*
These are recognised at the balance sheet date and include amounts for accrued holiday pay, management and employee bonuses. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.
- *Trade debtors' impairment loss*
Trade debtors are reviewed for impairment loss on an annual basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (continued)

3 Turnover

16 months
ended
26 March
2016
£

Analysis by class of business:

Textile rental	38,798,960
Work wear and complementary rental	8,262,361
Other rental related charges	934,647
	47,995,968

The Group's turnover arises from activities solely in the United Kingdom.

4 Group operating loss

16 months
ended
28 March
2016
£

This is arrived at after charging/(crediting):

Depreciation of tangible fixed assets	2,830,990
Amortisation of intangible assets:	
- Customer related	691,825
- Goodwill	1,062,169
- Negative goodwill	(409,909)
Fees payable to the company's auditor for the audit of the company's annual accounts	11,000
Fees payable to the company's auditor for other services to the group:	
- Audit of the company's subsidiaries pursuant to legislation and consolidation	68,917
- Tax services	12,858
- Other services *	65,579
Loss on disposal of fixed assets	2,611
Operating lease payments	
- Land and buildings	474,968
- Vehicles	1,039,945
Management charges	105,559
Exceptional administrative costs	2,720,113
Consumables recognised as an expense	2,162,351
Pooled rental linen recognised as an expense	6,988,254

Exceptional administrative costs are made up of post-acquisition restructuring of £588,551 and investor costs of £2,131,562.

*Fees for other services performed by the company's auditor of £312,026 were charged in respect of acquisition related services and debt fees. These were capitalised against the related investment and liabilities to be released over a period of 6 years. In the above total for other services £27,183 relates to amortisation of this balance.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

5 Employees

	16 months ended 28 March 2016 £
Staff costs (including directors) consist of:	
Wages and salaries	19,431,818
Social security costs	2,733,953
Pension costs	285,040
	22,450,811

The average number of employees (including directors) during the period was as follows:

	16 months ended 28 March 2016 Number
Management	24
Sales & service	13
Administration	75
Production	500
Transport	125
	737

A defined contribution pension scheme is operated by the Group on behalf of the employees of one of the subsidiary undertakings. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group which amounted to £285,040. Contributions amounting to £103,467 were payable to the fund at 26 March 2016 and are included in creditors.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

6 Directors' remuneration

	16 months ended 28 March 2016 £
Directors' emoluments	709,192
Company contributions to money purchase pension schemes	10,854
	720,046

There were two directors in the group's defined contribution pension scheme.

Emoluments of the highest paid director were £497,836. Company pension contributions of £Nil were made to a money purchase scheme on his behalf.

The directors received dividends in aggregate, on the same terms as the other shareholders, of £Nil.

7 Interest payable and similar charges

	16 months ended 28 March 2016 £
Bank loans and overdrafts	254,335
Accrued loan note interest	3,703,372
Loan note interest adjusted for present value	148,076
Loan note finance issue cost	294,318
	4,400,101

The "C" loan notes have been adjusted on a present value basis to a market rate of 10% over the 6 year term. For further information see note 17.

The company capitalised £3,733,899 of transaction costs as part of the arrangement of loans and loan notes associated with the business combinations. These transaction costs are to be amortised over the duration of the loan notes, being 6 years ending in 2020, and bank loans, being 6 years ending in 2021.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

8 Interest receivable and similar income

16 months
ended
28 March
2016
£

Bank interest income	15,746
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9 Taxation on loss on ordinary activities

16 months
ended
28 March
2016
£

<i>Current tax</i>	
UK corporation tax	
Current tax on losses of the period	-

<i>Deferred tax</i>	
Origination and reversal of timing differences	240,436

Taxation on loss on ordinary activities	240,436
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The tax assessed for the year is different to the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

16 months
ended
28 March
2016
£

Loss on ordinary activities before tax	(6,980,413)
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Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.23%	(1,412,138)
---	-------------

Effects of:	
Expenses not deductible for tax purposes	400,400
Income not taxable	-
Fixed asset differences	144,409
Deferred tax not recognised	626,893

Total tax charge for period	(240,436)
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The aggregate current and deferred tax relating to items recognised in the statement of total comprehensive income is a credit of £240,436.

For further information on deferred tax balances see notes 20 and 22.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

10 Parent company loss for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the period was £765,357.

11 Intangible assets

Group	Customer related £	Goodwill on consolidation £	Total £
Cost			
Arising on business combinations and at 26 March 2016	8,173,000	8,837,853	17,010,853
<i>Amortisation</i>			
Provision for period and at 26 March 2016	(691,825)	(1,062,169)	(1,753,994)
<i>Net book value</i>			
At 26 March 2016	7,481,175	7,775,684	15,256,859

The customer related intangible and goodwill arose on the acquisition of CLEAN Linen Services Limited on 12 December 2014 and BCOMP 497 group companies on 21 December 2015. For further details regarding the business combinations, including a breakdown of the intangibles and goodwill to the separate transactions, see note 22.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

12 Negative Goodwill

	Negative Goodwill £
Group	
<i>Cost or valuation</i>	
Arising on business combination and at 26 March 2016	(409,909)
<i>Amortisation</i>	
Provision for period and at 26 March 2016	409,909
<i>Net book value</i>	
At 26 March 2016	(-)

The negative goodwill arose on the acquisition of the trade and certain assets of Watford Launderers and Cleaners Limited. For further details see note 22.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (continued)

13 Tangible fixed assets

Group	Investment property £	Freehold Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings, tools and equipment £	Asset Under Construction £	Total £
<i>Cost or valuation</i>							
Acquisition of subsidiary	-	6,183,512	14,960,422	498,252	328,036	-	21,970,222
Additions	-	133,391	407,606	-	313,030	3,184,195	4,038,222
Disposals	-	-	(25,620)	(17,495)	(12,930)	-	(56,045)
Transfer	1,440,000	(1,440,000)	-	-	-	-	-
At 26 March 2016	1,440,000	4,876,903	15,342,408	480,757	628,136	3,184,195	25,952,399
<i>Depreciation</i>							
Provision for period		144,984	2,480,639	63,697	141,670	-	2,830,990
Disposals		-	(23,855)	(10,227)	(8,690)	-	(42,772)
At 26 March 2016		144,984	2,456,784	53,470	132,980	-	2,788,218
<i>Net book value</i>							
At 26 March 2016	1,440,000	4,731,919	12,885,624	427,287	495,156	3,184,195	23,164,181

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (continued)

13 Tangible fixed assets (continued)

Investment properties

The Group's investment property is valued annually at each balance sheet date at fair value, determined by an independent, professionally qualified valuer. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

The surplus on revaluation of investment property arising of £nil (company - £nil) has been credited to the profit and loss for the year. All other tangible assets are stated at historical cost less depreciation and impairments.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	Group £'000
Historic cost (at acquisition)	1,440,000
Accumulated depreciation and impairments	-
	-
Excess of net book value over historic cost basis	-

Assets under Construction

The Group began the construction of a new laundry facility in Slough in February 2016. The balance of £3,184,195 relates to this asset under construction. The project completed in October 2016 and is now in use.

Finance Leases

The net book value of plant, machinery and vehicles for the group includes an amount of £661,833 in respect of assets held under finance leases and hire purchase contracts. The company had no assets held under such leases at either year end.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

14 Fixed asset investments

Company	Group Undertakings £
<i>Cost</i>	
Additions in the period and at 26 March 2016 (see note 23)	5,765,943

Subsidiary undertakings and associated undertakings

The principal undertakings directly or indirectly in which the Company's interest at the period end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings - direct</i>			
CLEAN Viking Bidco Limited	United Kingdom	100%	Provision of management services to group companies
<i>Subsidiary undertakings - indirect</i>			
Clean Viking Acquisition Co Limited	United Kingdom	100%	Investment company
CLEAN Linen Services Limited	United Kingdom	100%	Provision of laundry service
Clean Watford Limited	United Kingdom	100%	Provision of laundry service
CLEAN Linen Services (South) Limited	United Kingdom	100%	Dormant company
BCOMP 497 Limited	United Kingdom	100%	Holding company
Stevens-Hatherley Holdings Limited	United Kingdom	100%	Provision of laundry service
Paragon Laundry Limited	United Kingdom	100%	Provision of laundry service
Paris Laundry Systems Limited	United Kingdom	100%	Dormant company
The Brilliant Laundry Group Limited	United Kingdom	66.6%	Orchestrator of commercial laundry services

All subsidiary undertakings have been fully consolidated within these financial statements.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (continued)

15 Stocks

	Group £
Raw materials and consumables	232,881
Finished goods and goods for resale	858,686
	1,091,567

There is no material difference between the replacement cost of stocks and the amounts stated above.

16 Debtors

	Group £	Company £
Trade debtors	14,271,049	-
Amounts owed by group undertakings	-	197,130
Other debtors	10,901,060	-
Prepayments	643,324	-
	25,815,433	197,130

Other debtors include deferred expenditure of £10,332,462 representing the amortised cost of pool rental linen, which is being written off over a period of two to three years.

The impairment loss recognised in the group loss for the period in respect of bad and doubtful trade debtors was £126,729.

17 Creditors: amounts falling due within one year

	Group £	Company £
Trade creditors	4,378,550	-
Corporation tax	783,146	-
Taxation and social security	1,705,382	-
Obligations under finance lease and hire purchase	213,095	-
Other creditors	613,819	-
Accruals and deferred income	4,066,819	-
	11,760,811	-

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (continued)

18 Creditors: amounts falling due after more than one year

	Group £	Company £
Bank loan	35,929,671	-
Other creditor	10,030	-
Loan notes	24,635,177	6,566,811
Obligations under finance lease and hire purchase	249,602	-
	<u>60,824,480</u>	<u>6,566,811</u>

The maturity of sources of debt finance, excluding other creditors, are as follows:

Group	Loans and overdrafts £	Finance leases £	Loan notes £	Total £
In one year or less, or on demand	-	213,095	-	213,095
In more than one year but not more than two years	-	249,602	-	249,602
In more than two years but not more than five years			24,635,177	24,635,177
In more than five years	35,929,671	-	-	35,929,671
	<u>35,929,671</u>	<u>462,697</u>	<u>24,635,177</u>	<u>61,027,545</u>

There is a cross guarantee between subsidiaries of the group relating to the bank loan. The bank loan is secured by a fixed and floating charge over the assets of the Group, see note 27.

During the period, the Group entered into an arrangement to borrow £38m of funds from Permira Credit Solutions under a term loan of 6 years. The principal loan is repayable on maturity in 2021 with interest being payable on a semi-annual basis. The loan accrues interest at LIBOR + 6.75%. Finance issue costs of £3,015,492 incurred for the arrangement of the loans, have been offset against the liability and is being amortised over the term of the loan.

Company

	Loan Notes £
In more than five years	<u>6,566,811</u>

The loan notes of £6,566,811 include £2,500,000 "B" 10% fixed secured notes that are repayable in 6 years in 2020. In addition, £4,335,406 "C" 5% fixed secured notes repayable in 6 years in 2020 are included at their present value of £4,066,811. The "A" and "B" loan notes rank ahead of "C" loan notes. Interest on notes accrues daily, calculated on the basis of a 365 day year, and is compounded annually on 31 December each year.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

19 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 16 months ended 28 March 2016 £	Company 16 months ended 28 March 2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	14,358,255	5,963,073
Financial assets held as cash	4,250,603	-
Financial liabilities		
Financial liabilities measured at amortised cost	69,489,644	6,566,811

Financial assets measured at amortised cost comprise fixed asset investments, trade debtors, other debtors and amounts owed by associated undertakings.

Financial liabilities measured at amortised cost comprise loan notes, bank loans, trade creditors, other creditors, accruals and hire purchase arrangements.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (continued)

20 Provisions for liabilities

Group	Tax and social security provision £	Deferred taxation £	Deferred taxation on business combinations £	Total £
Social security provision	498,000			498,000
Acquired with subsidiary		1,318,008		1,318,008
Arising on business combination (see note 22)	-	-	1,882,730	1,882,730
Credited to the profit and loss account	-	(100,481)	(139,955)	(240,436)
At 26 March 2016	498,000	1,217,527	1,742,775	3,458,302

The group has £3,555,536 unused tax losses or credits.

The net reversal of deferred tax assets and liabilities expected in 2017 is £190,929. This is expected to arise because depreciation is anticipated to be higher than the available capital allowances. However, it should be noted that further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of investment property, financial instruments and changes in the defined benefit pension liability. As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

In a prior year the company entered into certain arrangements to incentivise employees. H M Revenue & Customs have made enquiries into these arrangements and have notified the company of assessments of £498,000. The directors are of the opinion that the company has complied in full with the relevant tax legislation in respect of these arrangements however deem an economic outflow may result. There is no indication of the timing of any payment. The balance of £498,000 would become due in full and this has been recognised in other debtors (see note 16 and 25). There is no impact in the consolidated statement of total comprehensive income.

Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom changed from 21% to 20% with effect from 1 April 2015. The Finance (No.2) Bill 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020 were announced in the July 2015 budget were substantively enacted on 26 October 2015.

For the purposes of deferred tax, the rate changes from 20% to 18% had been substantively enacted before the balance sheet date. This will reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

**Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (continued)**

6,000 Ordinary "C" shares remain unallocated as at 26 March 2016.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (continued)

22 Business combinations

Acquisition of CLEAN Linen Services Limited

On 12 December 2014 the Group acquired 100% of CLEAN Linen Services Limited for £20,532,738 paid by cash and deferred consideration and financed by the issue of loan notes.

In calculating the goodwill arising on acquisition, the fair values of the net assets of CLEAN Linen Services Limited have been assessed and adjustments from book value have been made where necessary.

	Net book value £	Fair value adjustments £	Fair value £
Fixed assets			
Tangible fixed assets - land and buildings	3,813,395	2,370,117	6,183,512
Tangible fixed assets - other	7,666,991	-	7,666,991
Investment in associates	10,000	108,127	118,127
Intangibles separately identified on acquisition; - Customer Related (see note 11)		4,680,000	4,680,000
	11,490,386	7,158,244	18,648,630
Current assets			
Stocks	1,236,573	-	1,236,573
Debtors	9,344,961	-	9,344,961
Cash at bank and in hand	1,471,973	-	1,471,973
	12,053,507	-	12,053,507
Total assets	23,543,893	7,158,244	30,702,137
Creditors			
Due within one year			
Bank loans	(6,226,572)	-	(6,226,572)
Trade creditors	(5,654,691)	-	(5,654,691)
Due after more than one year			
Bank loans	(2,107,313)	-	(2,107,313)
Trade creditors	(103,041)	-	(103,041)
Deferred tax on differences between fair values and tax bases	-	(1,269,021)	(1,269,021)
Total liabilities	(14,091,617)	(1,269,021)	(15,360,638)
Fair value of net assets			15,341,499

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 *(continued)*

22 Business combinations *(continued)*

	Fair value £
Fair value of net assets <i>(brought forward from page 36)</i>	15,341,499
Goodwill (see note 11)	5,191,239
Total purchase consideration (including expenses of £286,202)	20,532,738
Purchase consideration settled in cash	14,480,594
Cash and cash equivalents in subsidiary acquired	(1,471,973)
Cash outflow on acquisition	13,008,621

The useful economic life of goodwill has been estimated to be 7 years, based on assessment by the directors and consideration of a third party valuation report.

The results of CLEAN Linen Services Limited for the period from its acquisition on 12 December 2014 to 26 March 2016 are as follows:

	£
Turnover	37,685,227
Profit for the period	539,970

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (continued)

22 Business combinations (continued)

Acquisition of BCOMP 497 Limited

On 21 December 2015 the Group acquired 100% of the BCOMP 497 Limited Group for £10,259,224 paid by cash and financed by the issue of loan. This was subsequently adjusted to £10,188,626

In calculating the goodwill arising on acquisition, the fair values of the net assets of the BCOMP 497 Limited Group have been assessed and adjustments from book value have been made where necessary.

	Book value £	Fair value adjustments £	Fair value £
Fixed assets			
Tangible fixed assets - land and buildings	-	-	-
Tangible fixed assets - other	7,451,240	452,873	7,904,113
Investment in associates	10,000	103,406	113,406
Intangibles separately identified on acquisition; - Customer Related (see note 11)		3,493,000	3,493,000
	7,461,240	4,049,279	11,510,519
Current assets			
Stocks	105,757	-	105,757
Debtors	13,399,166	(1,231,684)	12,167,482
	13,504,923	(1,231,684)	12,273,239
Total assets	20,966,163	2,817,595	23,783,758
Creditors			
Due within one year			
Bank loan	(525,111)	-	(525,111)
Trade creditors	(1,722,568)	-	(1,722,568)
Other creditors	(7,302,975)	-	(7,302,975)
Overdraft	(2,989,239)	-	(2,989,239)
Due after more than one year			
Bank loans	(2,691,232)	-	(2,691,232)
Other creditors	(642,060)	-	(642,060)
Deferred tax on differences between fair values and tax bases	(549,849)	(628,740)	(1,178,589)
Total liabilities	(16,423,034)	(628,740)	(17,051,774)
Fair value of net assets acquired			6,731,984

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 *(continued)*

22 Business combinations *(continued)*

	£
Fair value of net assets <i>(brought forward from page 38)</i>	6,731,984
Goodwill (see note 11)	3,637,774
Total adjusted purchase consideration (including expenses of £181,132)	10,369,758
Purchase consideration settled in cash	10,259,224
Cash and cash equivalents in subsidiary acquired	2,989,239
Cash outflow on acquisition	13,248,463

The useful economic life of goodwill has been estimated to be 6 years, based on assessment by the directors and consideration of a third party valuation report.

The results of the BCOMP 497 Limited Group for the period from its acquisition on 21 December 2015 to 26 March 2016 are as follows:

	£
Turnover	8,100,727
Loss for the period	(120,476)

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 *(continued)*

22 Business combinations *(continued)*

Acquisition of a controlling share of the The Brilliant Laundry Group Limited

On 21 December 2015, the Group took control of the company by virtue of its shareholdings within the Group.

In calculating the goodwill arising on acquisition, the fair values of the net assets of The Brilliant Laundry Group Limited have been assessed and adjustments from book value have been made where necessary.

	Fair value £
Fixed assets	
Tangible fixed assets - land and buildings	-
Tangible fixed assets - other	17,559
	17,559
Current assets	
Debtors	3,728,539
Cash at bank and in hand	733,952
	4,462,491
Total assets	4,480,050
Creditors	
Due within one year	
Other creditors	(2,173,940)
Trade creditors	(1,965,889)
Due after more than one year	-
	(4,139,829)
Total liabilities	(4,139,829)
Fair value of net assets	340,221

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 *(continued)*

22 Business combinations *(continued)*

	£
Fair value of net assets <i>(brought forward from page 40)</i>	340,221
Non-controlling interest share of assets	(113,406)
Group's proportion of fair value of net assets acquired	226,815
Total purchase consideration	(231,533)
Goodwill on business combination on 21 December 2015	4,718
Additional goodwill on reversal of share of associate	4,122
Total goodwill (see note 11)	8,840
Purchase consideration settled in cash	-
Cash and cash equivalents in subsidiary acquired	(733,952)
Cash inflow on acquisition	(733,952)

The useful economic life of goodwill has been estimated to be 6 years, based on assessment by the directors and consideration of a third party valuation report.

The results of The Brilliant Laundry Group Limited for the period from its acquisition on 21 December 2015 to 26 March 2016 are as follows:

	£
Turnover	235,331
Loss for the period	(3,481)

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

22 Business combinations (*continued*)

Trade and certain assets purchased by Clean Watford Limited

On 5 October 2015 the Group acquired the trade and certain assets of Watford Launderers and Cleaners Limited for £1 paid by cash.

In calculating the goodwill arising on acquisition, the fair values of the net assets of Clean Watford Limited have been assessed and adjustments from book value have been made where necessary.

	Net book and fair value £
Fixed assets	
Tangible fixed assets - land and buildings	-
Tangible fixed assets - other	198,048
Intangible assets separately identified on acquisition	-
	198,048
Current assets	
Stocks	54,266
Debtors	11,100
Cash at bank and in hand	250,000
	315,366
Total assets	513,414
Creditors	
Due within one year	-
Due after more than one year	-
Total liabilities	-
Fair value of net assets acquired	513,414

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

22 Business combinations (*continued*)

	£
Fair value of net assets	513,414
Negative goodwill (see note 12)	(409,909)
Total purchase consideration (including expenses of £103,504)	103,505
Purchase consideration settled in cash, included in above	1
Cash and cash equivalents in subsidiary acquired	(250,000)
Cash inflow on acquisition	(249,999)

The useful economic life of goodwill has been estimated to be 6 months, based on assessment by the directors and consideration of a third party valuation report.

The results of Clean Watford Limited for the period from its acquisition on 5 October 2015 to 26 March 2016 are as follows:

	£
Turnover	2,035,788
Profit for the period	281,695

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

23 Commitments under operating leases

As at 26 March 2016 the group had total future minimum commitments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Other 2016 £
Operating leases commitments which are owed:		
Within one year	903,972	1,064,026
In one to five years	4,607,959	1,961,912
Over five years	11,758,333	-
	17,270,264	3,025,938

The company had no commitments under non-cancellable operating leases.

24 Post balance sheet events

Subsequent to the period end, in October 2016 the laundry facility in Maidenhead ceased operations. The plan has been approved and announced for the Watford site to close in November. These customer services are in the process of being transferred to the new facility in Slough and refurbished facility in Cheltenham.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (*continued*)

25 Related party disclosures

The ultimate parent company of the Company is CLEAN Viking Holdings Limited which owns the entire share capital of the Company.

During the period ended 26 March 2016, CLEAN Viking Bidco Limited entered into an arrangement with MML Capital Europe V S.A. CLEAN Viking Bidco Limited borrowed £15,980,000 in the form of "A" loan notes, repayable in 6 years (2020), at an interest rate of 10% compounding annually, accruing daily. MML Capital Partners Fund V LP own 49.97% of "A" ordinary share capital and MML Capital Partners V Coinvest LP own 0.54% of "A" ordinary share capital of the total share capital of CLEAN Viking Holdings Limited. At 26 March 2016 CLEAN Viking Bidco Limited owed MML Capital Europe V S.A £18,110,029.

During the period ended 26 March 2016, CLEAN Viking Bidco Limited entered into an arrangement with MML Capital Europe V S.A. CLEAN Viking Bidco Limited borrowed £276,836 in the form of "A" loan notes, repayable in 6 years (2020), at an interest rate of 10% compounding annually, accruing daily. MML Capital Partners Fund V LP own 49.97% of "A" ordinary share capital and MML Capital Partners V Coinvest LP own 0.54% of "A" ordinary share capital of the total share capital of CLEAN Viking Holdings Limited. At 26 March 2016 CLEAN Viking Bidco Limited owed MML Capital Europe V S.A £290,431.

CLEAN Viking Holdings Limited (the "Company") entered into an arrangement with Jason Miller. CLEAN Viking Holdings Limited borrowed £2,500,000 in the form of "B" loan notes, repayable in 6 years (2020), at an interest rate of 10% compounding annually, accruing daily and £4,239,406 "C" loan notes, repayable in 6 years (2020), at an interest rate of 5% compounding annually, accruing daily. Jason Miller owns 40.72% of "B" ordinary share capital of the total share capital of CLEAN Viking Holdings Limited. At 26 March 2016 CLEAN Viking Holdings Limited owed Jason Miller £2,833,235 in the form of "B" loan notes and £4,518,596 in the form of "C" loan notes.

CLEAN Viking Bidco Limited (the "Company") entered into an arrangement with Jason Miller. CLEAN Viking Bidco Limited borrowed £233,164 in the form of loan notes, repayable in 6 years (2020), at an interest rate of 10% compounding annually, accruing daily. Jason Miller owns 40.72% of "B" ordinary share capital of the total share capital of CLEAN Viking Holdings Limited. At 26 March 2016 CLEAN Viking Bidco Limited owed Jason Miller £229,354 in the form of loan notes.

CLEAN Viking Bidco Limited entered into an arrangement with MML Capital Europe V S.A. CLEAN Viking Bidco Limited (the "Company") incurred monitoring fees of £65,103. At 26 March 2016 CLEAN Viking Bidco Limited owed MML Capital Europe V S.A £12,500.

CLEAN Viking Bidco Limited entered into an arrangement with Bradenham Partners LLP. CLEAN Viking Bidco Limited (the "Company") incurred chairman fees of £37,098. At 26 March 2016 CLEAN Viking Bidco Limited owed Bradenham Partners LLP £4,031. Bradenham Partners LLP owns 2% of "C" ordinary share capital of total share capital of CLEAN Viking Holdings Limited.

CLEAN Viking Acquisition Co Limited entered into an arrangement with Bradenham Partners LLP. CLEAN Viking Acquisition Co Limited (the "Company") incurred modelling fees in relation to 'Project Tuscany' of £20,724. At 26 March 2016 CLEAN Viking Bidco Limited owed Bradenham Partners LLP £Nil.

CLEAN Viking Holdings Limited

Notes forming part of the financial statements for the 16 month period ended 26 March 2016 (continued)

25 Related party disclosures (continued)

Stevens-Hatherley Holdings Limited made sales of £1,303,463 and purchases of £357,953 to The Brilliant Laundry Group Limited in relation to the provision of laundry services, management charges and rebates. At 26 March 2016 Stevens-Hatherley Holdings Limited owed £1,401,114 and were owed £459,889 by The Brilliant Laundry Group.

Clean Linen Services Limited made sales of £489,660 and purchases of £275,802 to The Brilliant Laundry Group Limited in relation to the provision of laundry services, management charges and rebates. At 26 March 2016 Clean Linen Services Limited owed £621,013 and were owed £171,371 by The Brilliant Laundry Group Limited.

The Brilliant Laundry Group made sales of £49,118 and purchases of £211,271 to Eastern Counties Laundries Limited in relation to the provision of laundry services, management charges and rebates. At 26 March 2016 the Brilliant Laundry Group owed £176,153 and were owed £19,056 by the Eastern Counties Laundries Limited.

The Brilliant Laundry Group made sales of £57,822 and purchases of £1,296,753 to Fresh Linen Limited in relation to the provision of laundry services, management charges and rebates. At 26 March 2016 the Brilliant Laundry Group owed £969,146 and were owed £69,387 by Fresh Linen Limited.

During the period £112,500 was paid for rent of the Reading plant facility which is owned by Clean Linen Services Limited Pension (No 2) Fund.

Jason Miller, a director and shareholder of the Company, has provided a guarantee to Clean Linen Services Limited of £498,000 to reimburse the full value of the recognised provision in the event that the provision crystallises (see note 16 and 20).

Key management personnel include directors, excluding non-executive directors, and senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation to key management personnel for services provided to the group was £1,183,907.

26 Capital commitments

	Group 2016 £'000
Contracted but not provided for	8,647,637

CLEAN Viking Holdings Limited

Notes forming part of the financial statements
for the 16 month period ended 26 March 2016 (*continued*)

27 Contingent liabilities

Group

The group has guaranteed bank borrowings. At the year end the liabilities covered by these guarantees totalled £35,929,671.

Company

The company has guaranteed bank borrowings of its subsidiaries. At the year end the liabilities covered by these guarantees totalled £35,929,671.

28 Reconciliation of net cash flow to movement in net debt

	2016 £
Increase in cash	4,250,601
Cash inflow from changes in debt	(34,984,508)
Other non-cash items	(26,043,035)
Movement in net debt resulting from cash flows	(56,776,942)
Opening net debt	-
Closing net debt	(56,776,942)

Major non-cash transactions

During the year the Group:

- Issued £24,635,177 loan notes. For further details see note 18.
- Entered into a long term debt instrument for £38,000,000, accruing interest daily. For further details see note 18.