

Company Registration No. 02566320

Vanilla Group Limited

Report and Financial Statements

31 October 2012



Vanilla Group Limited

Report and financial statements 2012

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Vanilla Group Limited

Report and financial statements 2012

Officers and professional advisers

Directors

S Baxter
A Barr

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

Vanilla Group Limited

Directors' report (continued)

The directors present their report and the financial statements for the year ended 31 October 2012

The directors' report has been prepared in accordance with special provisions relating to small companies under the Companies Act 2006

Principal activity

The principal activity of the company is that of an intermediate holding company

Results and dividends

The loss for the year, after taxation, amounted to £1,212,812 (2011 –loss £nil) This is primarily as a result of impairments of investments

Going concern

Following its refinancing in October 2010, the group 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. A letter of support has been received by the company from the ultimate parent company JLA Equityco Limited. After making enquiries and considering the ability of the ultimate parent company to provide the support noted, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

Directors

The directors who served during the year and subsequently were

S Baxter
A Barr

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/she ought to have taken as a director in order to make himself/herself 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

Vanilla Group Limited

Directors' report

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

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line.

A Barr
Director

24 July 2013

Vanilla Group 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 Vanilla Group Limited

We have audited the financial statements of Vanilla Group Limited for the year ended 31 October 2012 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. 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 2012 and of its loss 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 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 Vanilla Group 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, 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, UK
31 July 2013

Vanilla Group Limited

Profit and loss account Year ended 31 October 2012

| | Notes | 2012 £ | 2011 £ |
|----------------------------------------------------|-------|-------------|-----------|
| Administrative expenses | | (1,212,812) | - |
| Operating loss | 3 | (1,212,812) | - |
| Loss on ordinary activities before taxation | | (1,212,812) | - |
| Tax on loss on ordinary activities | 5 | - | - |
| Loss for the financial year | 11 | (1,212,812) | - |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

Vanilla Group Limited

Balance sheet

As at 31 October 2012

| | Notes | 2012 £ | 2011 £ |
|----------------------------------------------------------------|-------|--------------|--------------|
| Fixed assets | | | |
| Fixed asset investments | 6 | 16,751,057 | 16,722,738 |
| Current assets | | | |
| Debtors | 7 | 1,300,802 | 1,335,772 |
| Cash in hand | | 18,792 | 18,792 |
| | | 1,319,594 | 1,354,564 |
| Creditors: amounts falling due within one year | 8 | - | (82,906) |
| Net current assets | | 1,319,594 | 1,271,658 |
| Total assets less current liabilities | | 18,070,651 | 17,994,396 |
| Creditors: amounts falling due after more than one year | 9 | (16,537,967) | (15,248,900) |
| Net assets | | 1,532,684 | 2,745,496 |
| Capital and reserves | | | |
| Called up share capital | 10 | 2,561,856 | 2,561,856 |
| Share premium account | 11 | 623,968 | 623,968 |
| Profit and loss account | 11 | (1,653,140) | (440,328) |
| Shareholders' funds | 12 | 1,532,684 | 2,745,496 |

The financial statements of Vanilla Group Limited registered number 02566320 were approved by the Board of Directors on **24 July 2013**

Signed on behalf of the Board of Directors



A Barr
Director

Vanilla Group Limited

Notes to the financial statements **Year ended 31 October 2012**

1. Accounting policies

Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 408 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is small.

Investments

Investments are valued at cost less provision for impairment.

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.

2. Related party transactions

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

Vanilla Group Limited

Notes to the financial statements Year ended 31 October 2012

3. Operating loss

The operating loss for the year is stated after charging

| | 2012 £ | 2011 £ |
|------------------------------------------------|------------------|-----------|
| Impairment of fixed asset investments (note 6) | <u>1,260,581</u> | <u>-</u> |

Auditor's remuneration of £3,000 (2011 £3,000) has been borne by another group company

4. Directors' remuneration

The only employees of the company are the directors. The directors did not receive any remuneration from the company for their services during the period to 31 October 2012 (2011 £nil)

5. Taxation

| | 2012 £ | 2011 £ |
|------------------------------------------------|-----------|-----------|
| UK corporation tax charge on loss for the year | <u>-</u> | <u>-</u> |

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.83% (2011 - 26.83%). The differences are explained below

| | 2012 £ | 2011 £ |
|----------------------------------------------------------------------------------------------------------------|--------------------|-----------|
| Loss on ordinary activities before tax | <u>(1,212,812)</u> | <u>-</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.83% (2011 - 26.83%) | (301,141) | - |
| Effects of | | |
| Permanent items | 330,510 | |
| Group relief | <u>(29,369)</u> | <u>-</u> |
| Current tax charge for the year | <u>-</u> | <u>-</u> |

Vanilla Group Limited

Notes to the financial statements Year ended 31 October 2012

6. Fixed asset investments

| | Shares in group undertakings £ |
|---------------------------------|-----------------------------------|
| Cost | |
| At 1 November 2011 | 16,722,738 |
| Additions | 1,288,900 |
| Disposals | - |
| At 31 October 2012 | 18,011,638 |
| Provision for impairment | |
| At 1 November 2011 | - |
| Impairment | 1,260,581 |
| Disposals | - |
| At 31 October 2012 | 1,260,581 |
| Net book value | |
| At 31 October 2012 | 16,751,057 |
| At 31 October 2011 | 16,722,738 |

Principal subsidiary undertakings

The company holds 100% of the issued share capital of the companies listed below, all of which are registered in England and Wales

| Name | Nature of business | Holding |
|------------------------------------------------|-----------------------------------------------------------------------------------|---------|
| JLA Limited | Laundry equipment suppliers | 100% |
| Laundry FM Limited | Hire and service of laundry equipment and provision of managed laundry facilities | 100% |
| Circuit Launderette Services Limited | Supply of managed launderettes | 100% |
| Circuit Launderette Services (Ireland) Limited | Supply of managed launderettes | 100% |
| Citynet Systems Limited | Supply of remote monitoring equipment | 100% |
| Vanilla Property Limited | Dormant | 100% |
| Masons (1982) Limited | Dormant | 100% |
| GH Masons (Blackpool) Ltd | Laundry equipment suppliers | 100% |
| Tradeyear Limited | Hire and service of laundry equipment and provision of managed laundry facilities | 100% |
| Expert Services South West Limited | Hire and service of laundry equipment and provision of managed laundry facilities | 100% |
| Clean Machine (UK) Limited | Hire and service of laundry equipment and provision of managed laundry facilities | 100% |

Vanilla Group Limited

Notes to the financial statements Year ended 31 October 2012

6. Fixed asset investments (continued)

On 6 June 2012, the group acquired 100% of the issued share capital of Clean Machine (UK) Limited for cash consideration of £1,200,000. Associated costs related to the acquisition were £46,645. In addition to the acquisition costs of Clean Machine (UK) Limited during the year further costs were incurred in connection with the acquisition of Expert Service South West Limited. Expert Service South West Limited was acquired by Vanilla Group Limited in October 2011.

The impairment charge in the year reflects the provision required to write down the asset to reflect permanent diminution in value.

7. Debtors

| | 2012 £ | 2011 £ |
|-------------------------------------|------------------|------------------|
| Amounts due from group undertakings | 1,300,802 | 1,300,802 |
| Other debtors | - | 34,970 |
| | <u>1,300,802</u> | <u>1,335,772</u> |

8. Creditors: amounts falling due within one year

| | 2012 £ | 2011 £ |
|------------------------------|-----------|---------------|
| Accruals and deferred income | - | 82,906 |
| | <u>-</u> | <u>82,906</u> |

9. Creditors: amounts falling due after more than one year

| | 2012 £ | 2011 £ |
|-----------------------------------|-------------------|-------------------|
| Amounts due to group undertakings | <u>16,537,967</u> | <u>15,248,900</u> |

Included within the above are amounts falling due as follows

| | 2012 £ | 2011 £ |
|-----------------------------------|-------------------|-------------------|
| Over five years | | |
| Amounts due to group undertakings | <u>16,537,967</u> | <u>15,248,900</u> |

Vanilla Group Limited

Notes to the financial statements Year ended 31 October 2012

10. Share capital

| | 2012 £ | 2011 £ |
|-------------------------------------------|------------------|------------------|
| Allotted, called up and fully paid | | |
| 2,520,644 A Ordinary shares of £1 each | 2,520,644 | 2,520,644 |
| 164,848 B Ordinary shares of 25p each | 41,212 | 41,212 |
| | <u>2,561,856</u> | <u>2,561,856</u> |

11. Reserves

| | Share premium account £ | Profit and loss account £ |
|--------------------|----------------------------------|------------------------------------|
| At 1 November 2011 | 623,968 | (440,328) |
| Loss for the year | - | (1,212,812) |
| At 31 October 2012 | <u>623,968</u> | <u>(1,653,140)</u> |

12 Reconciliation of movement in shareholders' funds

| | 2012 £ | 2011 £ |
|-----------------------------|------------------|------------------|
| Opening shareholders' funds | 2,745,496 | 2,745,496 |
| Loss for the year | (1,212,812) | - |
| Closing shareholders' funds | <u>1,532,684</u> | <u>2,745,496</u> |

13. Guarantees

A guarantee has been given by the company in favour of HMRC to a limit of £450,000

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

14. Related party 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

Vanilla Group Limited

Notes to the financial statements

Year ended 31 October 2012

15. Ultimate parent company and controlling party

The company's immediate holding company is Inhoco 3498 Limited, a company incorporated in England and Wales and the ultimate parent company is JLA Equityco Limited, a company incorporated in England and Wales

The largest group of which the company is a member and for which group financial statements are drawn up is that headed by JLA Equityco Limited

The smallest group of which the company is a member and for which group financial statements are drawn up is that headed by JLA Clean Limited

In the opinion of the directors, the company and the group are ultimately owned by investors whose investments are managed by HgCapital. The directors do not consider there to be an ultimate controlling party