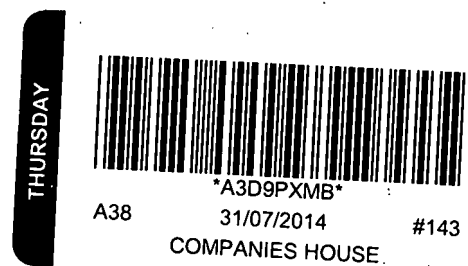


**Company Registration No. 02566320**

**Vanilla Group Limited**

**Report and Financial Statements**

**31 October 2013**



# **Vanilla Group Limited**

## **Report and financial statements 2013**

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# **Vanilla Group Limited**

## **Report and financial statements 2013**

### **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**

## **Strategic report**

### **Business strategy**

Over the last few years the Board of JLA Equityco Limited (the Group) has developed a very clear strategic vision which is being successfully deployed within the group. The strategy will look to continue to grow market share within our existing core business segments, along with identifying opportunities for growth in new markets through acquisition.

We will continue to provide the complete sales, service and finance solution to support our customer base, both existing and new, through the whole life cycle of their critical assets that are operated within their business. Through our tried and tested internal sales capability, backed up by our national service support capability, we will bring new product offerings to our existing customer base and gain market share within new targeted markets.

We will continue to invest both in our sales and service capability in our existing Laundry markets but also in the new adjacent Catering and Medical sectors. We will continue to keep our promise to our customers that we make at point of sale, where we guarantee 365 day - 24/7 service support to maintain the required level of operation within their critical asset base.

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

### **Business review**

The principal activity of the company is that of an intermediary holding company. There have not been any significant changes in the company's principal activity in the year under review.

During the year the group has continued its expansion via a number of acquisitions. Vanilla Group Limited acquired 100% of the issued share capital and settled all of them with cash consideration. Further details are contained in note 6.

As shown in the profit and loss account on page 8 the profit for the year, after taxation, was £1,000 (2012: loss £1,213,000). The directors consider the company's performance to be satisfactory.

The balance sheet on page 9 shows the company's financial position at the year end. The financial position at the year end and the future prospects of the company are considered satisfactory.

### **Future developments**

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

On 6 December 2013, the company acquired 100% of the issued share capital of a catering business, Carford Holdings Limited and its subsidiary undertaking Carford Group Limited. This business, along with the acquisitions made within the current financial year will give JLA a meaningful position within the UK catering sales and service market.

# Vanilla Group Limited

## Strategic report (continued)

### Principal risks and uncertainties

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

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

### Going concern

On 29 October 2013 the group headed by JLA Equityco Limited updated its loan facilities and drew down an additional £10m on the term loan facility to provide the appropriate level of funding for the business to execute its acquisition growth strategy. The new facilities comprise a £90,000,000 term loan facility and a £3,000,000 revolving credit facility.

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. After making enquiries, 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.

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



A Barr  
Director

17 June 2014

# Vanilla Group Limited

## Directors' report

The directors present their report and the financial statements for the year ended 31 October 2013.

### Principal activities

The principal activity of the company is that of an intermediary holding company. There have not been any significant changes in the company's principal activity in the year under review.

### 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

### Going concern and financial risk management objectives and policies

The directors set out in the Strategic Report:

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

### Auditor

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

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



A Barr  
Director

17 June 2014

# **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 2013 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 explained more fully 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 Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## **Independent auditor's report to the members of 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
- 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

**24** July 2014

# Vanilla Group Limited

## Profit and loss account Year ended 31 October 2013

	Notes	2013 £'000	2012 £'000
Administrative expenses		1	(1,213)
<b>Operating profit/(loss)</b>	3	1	(1,213)
<b>Profit/(loss) on ordinary activities before taxation</b>		1	(1,213)
Tax on profit/(loss) on ordinary activities	5	-	-
<b>Profit/(loss) for the financial year</b>	10	1	(1,213)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

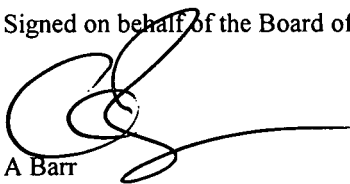
# Vanilla Group Limited

## Balance sheet As at 31 October 2013

	Notes	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Fixed asset investments	6	25,062	16,751
<b>Current assets</b>			
Debtors	7	1,301	1,301
Cash in hand		20	19
		1,321	1,320
<b>Net current assets</b>		1,321	1,320
<b>Total assets less current liabilities</b>		26,383	18,071
<b>Creditors: amounts falling due after more than one year</b>	8	(24,849)	(16,538)
<b>Net assets</b>		1,534	1,533
<b>Capital and reserves</b>			
Called up share capital	9	2,562	2,562
Share premium account	10	624	624
Profit and loss account	10	(1,652)	(1,653)
<b>Shareholders' funds</b>	11	1,534	1,533

The financial statements of Vanilla Group Limited registered number 02566320 were approved by the Board of Directors on 17 June 2014.

Signed on behalf of the Board of Directors



A Barr  
Director

# Vanilla Group Limited

## Notes to the financial statements Year ended 31 October 2013

### 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 2013

### 3. Operating profit/(loss)

The operating profit/(loss) for the year is stated after charging:

	2013 £'000	2012 £'000
Impairment of fixed asset investments	-	1,261

Auditor's remuneration of £3,000 (2012: £3,000) has been borne by another group company.

The impairment charge in the prior year reflects an adjustment to the carrying value of the balance sheet value of the investment in acquisitions made in that year.

### 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 2013 (2012: £nil).

### 5. Taxation

	2013 £'000	2012 £'000
UK corporation tax charge on profit/(loss) for the year	-	-

#### 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 23.4% (2012 - 24.83%). The differences are explained below:

	2013 £'000	2012 £'000
Profit/(loss) on ordinary activities before tax	1	(1,213)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.4% (2012 – 24.83%)	-	(301)
Effects of:		
Permanent items	-	330
Group relief	-	(29)
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

# Vanilla Group Limited

## Notes to the financial statements Year ended 31 October 2013

### 6. Fixed asset investments

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 November 2012	18,012
Additions	8,311
At 31 October 2013	26,323
<b>Provision for impairment</b>	
At 1 November 2012	1,261
Impairment	-
At 31 October 2013	1,261
<b>Net book value</b>	
At 31 October 2013	25,062
At 31 October 2012	16,751

### Principal subsidiary undertakings

The company owns 100% of the issued share capital of the companies listed below, all of which are registered in England & Wales except where otherwise indicated.

Directly held	Country	Nature of business
JLA Limited	UK	Laundry equipment suppliers
Laundry FM Partners Limited	UK	Hire and service of laundry equipment and provision of managed laundry facilities
JLA Total Care Limited	UK	Hire and service of laundry equipment and provision of managed laundry facilities
Circuit Launderette Services Limited	UK	Supply of managed launderettes
Circuit Launderette Services (Ireland) Limited	Ireland	Supply of managed launderettes
Citynet Systems Limited	UK	Dormant
Vanilla Property Limited	UK	Dormant
Masons (1982) Limited	UK	Dormant
GH Masons (Blackpool) Ltd	UK	Dormant
Tradeyear Limited	UK	Dormant
Expert Services South West Limited	UK	Dormant
Clean Machine UK Limited	UK	Dormant

# Vanilla Group Limited

## Notes to the financial statements Year ended 31 October 2013

### 6. Fixed asset investments (continued)

#### Principal subsidiary undertakings (continued)

Directly held	Country	Nature of business
Texrest Limited	UK	Dormant
Stanland Holdings Limited	UK	Intermediate holding company
Stanland Group Limited	UK	Dormant
Stanland Laundry Rentals Limited	UK	Dormant
Red Squared Food Service and Laundry Limited	UK	Laundry and catering equipment suppliers
Commercial Kitchen Maintenance Limited	UK	Catering equipment suppliers
Proton Southern Limited	UK	Catering equipment suppliers
Washrite Limited	UK	Dormant

During the year the company has continued its expansion via a number of acquisitions. Vanilla Group Limited acquired 100% of the issued share capital and settled all of them with cash consideration.

- On 6 December 2012, the company acquired 100% of the issued share capital of Stanland Laundry Rentals Limited and Stanland Group Limited for cash consideration of £3,843,000.
- On 7 October 2013, the company acquired 100% of the issued share capital of Red Squared Food Service and Laundry Limited for cash consideration of £429,000.
- On 14 October 2013, the company acquired 100% of the issued share capital of Commercial Kitchen Maintenance Limited for cash consideration of £1,040,000.
- On 31 October 2013, the company acquired 100% of the issued share capital of Proton Southern Limited and its subsidiary undertaking Washrite Limited for cash consideration of £2,999,000.

### 7. Debtors

	2013 £'000	2012 £'000
Amounts due from group undertakings	1,301	1,301

### 8. Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Amounts due to group undertakings	24,849	16,538

Included within the above are amounts falling due as follows:

	2013 £'000	2012 £'000
<b>Between 2 and 5 years</b>		
Amounts due to group undertakings	24,849	16,538

# Vanilla Group Limited

## Notes to the financial statements Year ended 31 October 2013

### 9. Share capital

	2013 £'000	2012 £'000
<b>Allotted, called up and fully paid</b>		
2,520,644 A Ordinary shares of £1 each	2,521	2,521
164,848 B Ordinary shares of 25p each	41	41
	<u>2,562</u>	<u>2,562</u>

### 10. Reserves

	Share premium account	Profit and loss account £
At 1 November 2012	624	(1,653)
Profit for the year	-	1
At 31 October 2013	<u>624</u>	<u>(1,652)</u>

### 11. Reconciliation of movement in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	1,533	2,746
Profit/(loss) for the year	1	(1,213)
Closing shareholders' funds	<u>1,534</u>	<u>1,533</u>

### 12. 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.

### 13. 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 2013**

### **14. 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.

### **15. Post balance sheet event**

On 6 December 2013, the group acquired 100% of the issued share capital of Carford Holdings Limited and its subsidiary undertaking Carford Group Limited. The initial cash consideration was £3 million.