Company Registration No. 02566320

Vanilla Group Limited

Annual Report and Financial Statements

Year ended 31 October 2022

Vanilla Group Limited

Annual report and financial statements 2022

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Vanilla Group Limited

Annual report and financial statements 2022

Officers and professional advisers

Directors
B Gujral
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Vanilla Group Limited

Strategic report

The Directors present their annual report and the audited financial statements for the year ended 31 October 2022.

Business strategy

Vanilla Group Limited ("the Company") is a member of the group headed by JLA Acquisitions Topco Limited ("the Group"). The principal activities of the group focus on critical asset solutions for a range of customers and comprise the long-term hire, supply and maintenance of laundry, catering, heating and fire safety equipment and the supply of managed launderettes. A review of the Group's results and future prospects, which include those of the Company, is set out below.

The Board has developed a very clear strategic vision, JLA is to be our customer's trusted partner.

The strategy will look to continue to grow market share within the existing core business segments, leveraging our understanding of markets and customer segments to generate new revenue and grow the value of our existing relationships. Additionally, the business has identified opportunities for growth in adjacent markets through both organic product and service development and strategic acquisitions. The Group will continue to provide a complete product supply and service solution to support its customer base, both existing and new, through the whole life cycle of various critical assets that are operated within their businesses. The Group's ambitious growth plans are underpinned by a robust strategic plan, its unique sales infrastructure and national service support capability.

Business review

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

The result for the year, before taxation, amounted to a loss of £1,387,000 (2021: loss of £2,504,000) due to M&A activities and integration costs. The Directors have not paid or declared a dividend.

The statement of financial position on page 14 shows the Company's financial position at the year end. Net liabilities of £10,777,000 were reported (2021: £9,390,000). The increase is driven by M&A activities and integration costs. The Company's financial position was considered satisfactory in its capacity as an intermediary holding company.

The Directors of JLA Acquisitions Topco Limited manage the Group's operations on a divisional rather than statutory basis. For this reason, the Company's directors believe that analysis using key performance indicators ("KPIs") for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

At the Group level the main focus for analysis is on the KPIs and performance measures the Group board has set for financial performance, operations and growth. The development, performance and position of the Group are discussed in the JLA Acquisition Topco Limited group's report, which does not form part of the report.

The Group has completed the integration of our acquisitions into our Heating and Fire Safety divisions.

Future developments

The Board has plans to grow the business significantly, both in terms of revenue and EBITDA growth, through organic growth within its existing core market segments and through acquisition.

The Group intends to use its strong platform to leverage the sizeable opportunities that these markets present.

Vanilla Group Limited

Strategic report (continued)

Principal risks and uncertainties

The principal risks specific to the Group and Company and how they are managed and mitigated are outlined below.

Not all these factors are within the direct control of the Group and Company or its directors and the list is not exhaustive. There may be other risks and uncertainties that are currently unknown and the list may change as something that seems immaterial now could assume greater importance in the future, and vice versa.

- The principal risk affecting the Group relates to any downturn in economic conditions within the markets in which it operates. Although this is mitigated to a certain extent by the long-term contractual nature of much of the Group's income and the sectors in which the Group operates, an economic downturn can have an adverse impact to the business, particularly in sectors that are reliant on economic growth to prosper.

- Like any business, the Group faces the risk of a cyber-incident which results in the corruption or deletion of business critical data or downtime of business critical systems. The Group has invested heavily in tools and procedures in order to mitigate this risk, and periodically reviews its cyber security protocols to ensure the Group's actions are in keeping with good practice in this area.

- A major operational incident at the Group's headquarters or other significant premises could cause extended interruption to normal business operations. The Group has invested heavily to mitigate against the impact of such an incident, including a generator to mitigate against the loss of electrical supply, installing flood defences, moving its systems into a cloud environment and outsourcing the delivery of goods to a nationally recognised logistics supplier. These actions have reduced the effect that any major incident at the Group's headquarters would have, but the Board remains vigilant to the risks posed by any such incidents.

- The Group sources a number of products from overseas in prices denominated in foreign currencies. The weakness of sterling has the potential to make these goods more expensive in sterling terms. This risk is managed by a Group Treasury Committee, which meets on a periodic basis, and may authorise the Group to enter into hedging contracts that typically fix the purchase price of a significant portion of the Group's goods for the next 12-18 months. This is assessed against the amount of foreign currency held, and the timing of when hedging contracts are entered is determined accordingly.

- Supply chain and inventory management – the Group's cash flows from operations may be negatively affected if it is not successful in managing its inventory balances. The Group has developed a range of measures it employs to enable it to better manage its inventory levels throughout the course of the year. The Group has outsourced its machine inventory management to XPO, an external specialist, to further improve stock management processes. The Group has also implemented a number of demand planning models to optimise stock holding levels. However, the Board remains vigilant to the risks posed by a disruption to the supply chain.

- Demand for labour remains high which has resulted in challenges in staff recruitment and retention. Various financial and non-financial measures have helped to mitigate the recruitment risk and to develop and retain staff, including pay benchmarking, an apprenticeship scheme and a management development programme. The Group continues to invest in its people.

- Credit and liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of a revolving credit facility at floating rates of interest. The Group's credit risk is primarily attributable to its trade receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers and market segments.

- Liquidity/cash flow risk - the Group and Company are financed through a combination of bank and debt instruments that carry either fixed or variable rates of interest. The appropriateness of these bank and debt instruments and the risks related to variable rate debt are periodically reviewed by management and the Board. These facilities are secured against the assets of the Group including those of the Company. This financing provides the necessary headroom to support the business activities and strategy of the Group. In light of the changing economic circumstances and rising interest rates, during the period the Group entered into an interest rate cap in relation to a proportion of the variable rate debt. This transaction has provided more certainty for the Group regarding its interest payments and therefore its cashflow position.

Vanilla Group Limited

Strategic report (continued)

s.172 Statement - Promoting the Success of the Company

Our Approach

As a Board, we have a duty to promote the success of the Group for the benefit of our members as a whole. In doing so, we must have regard to the interests of our employees, the success of our relationships with suppliers and customers and the impact of our operations on the environment, among other things.

The interests of our stakeholders are key factors in our decision making process and set out below are some examples of how we have taken those interests into account.

Our Employees

Board considerations

Our employees are our biggest asset and fundamental to the success of the Group. As we moved out of the pandemic, JLA invested in our colleagues' wellbeing to ensure a smooth transition into more normal working practices. Recognising the changes to working life brought on by the pandemic, we introduced flexible working arrangements for colleagues.

Diversity and inclusion

In May 2022 we launched our diversity and inclusion framework, with various initiatives undertaken to support the business becoming more diverse and inclusive. This included partnering with various recruitment agencies such as Women in Engineering, LGBTQ Jobs, Springpod and BME Jobs, to ensure we recruit from a diverse pool of potential colleagues. We also took steps to improve our knowledge of the ethnicity of our colleague base in order to design more relevant D&I initiatives.

The Group operates an equal opportunities policy that aims to treat individuals fairly and not to discriminate in any way.

Career Development

We are keen to ensure our colleagues have clear development goals and the opportunity to further their career with us. During the period we invested heavily in our colleague development framework. This included launching the JLA Academy, ensuring our colleagues have the right skills, tools and knowledge for their role and career progression.

For our engineering colleagues, the Academy means developing training capability and qualifications across all verticals, as well as our new apprenticeship programme, which helps us to create a talent pipeline of engineers for the future. For our sales teams, we have developed specific product/market training and introduced a field sales development programme to help them achieve their own personal and corporate goals.

During the period we launched a mentoring programme for all our colleagues. Our colleagues have a rich and diverse experience and we are keen that we utilise this resource to benefit other colleagues. There has been a strong uptake of the mentoring programme which demonstrates our colleagues' desire for personal development and we will look to further develop and expand this programme where appropriate.

In addition, we launched a management development programme (MDP) that all line managers and those with leadership potential will undertake. The MDP serves the dual purpose of demonstrating our commitment to the personal development of our colleagues, but also realises the strategic goal of fostering a strong culture of leaders who understand how the business should be managed in line with the Board's strategy.

Our Employees (continued)

Engagement and Communication

The positive engagement of our colleagues is crucial in ensuring the strong performance of the business, and also the wellbeing of the staff. We use various tools to monitor employee engagement and to obtain their feedback so that we can identify areas to improve the staff experience. During the period we undertook various initiatives to encourage strong staff engagement. The Executive team delivers half yearly roadshows to all colleagues in order to report on the business' progress, and update on key strategic initiatives going forward. Colleagues are encouraged to provide monthly feedback on questions focussed on their engagement, and this is fed back to the Board.

Our Customers

By focusing on their most critical assets, JLA is at the heart of our customers' operations. This means customers are key stakeholders in all that we do. We will therefore, continue to invest in customer satisfaction across our operations. Our focus on becoming a trusted partner and establishing long term value-adding relationships with our customers will continue.

We have considerable experience and expertise in our chosen market segments and seek to use this knowledge to anticipate our customers' needs and offer them the best possible range of solutions.

The use of the widely regarded Net Promoter Score metric is embedded in our business to continually measure customer satisfaction and identify areas of improvement.

We continue to invest in developing our digital capabilities which is a further demonstration of our commitment to consistently improving the customer experience and expand the range of services we can offer.

During the period the business launched two new digital propositions: MyJLA and JLAConnect.

In June 2022, the group acquired TFS Facilities Services Ltd. The acquisition was selected to expand the company's fire safety business and share of the market, as well as cross sell opportunities into existing JLA verticals.

Our Suppliers

We maintain close relationships with our suppliers to enable us to deliver market-leading products and services. Engaging with our supply chain means that we can ensure security of supply and has resulted in strong relationships spanning decades in some cases.

During the period the business experienced cost and delivery time increases from its supply chain. During this challenging time we worked with our long standing suppliers to identify ways in which to mitigate the impact of these increases and limit the impact to our customers. Whilst these increases have since reduced in severity, we will continue to invest in strengthening our existing relationships whilst identifying new supplier relationships to mitigate against future supply chain impacts.

s.172 Statement - Promoting the Success of the Company (continued)

The Environment

During the period, the Company engaged a third party to provide a more detailed analysis of its carbon footprint and to advise on the lifecycle assessment and total cost of ownership of alternative heating technologies. We have used the output of this advice to develop a framework detailing the primary initiatives the business will focus on to reduce its impact on the environment and to inform our customer and supplier strategy in our heating business. We have also identified key performance indicators and targets in relation to our environmental impact so that we can monitor these KPIs against our targets and identify areas for improvement.

In particular, during the period, we have developed a plan to transition our van fleet to electric vehicles, and we have entered into contracts to source the majority of the energy used to heat and light our buildings from renewable sources.

We have also commenced an audit of our operating sites in order to identify opportunities to reduce our energy demand. Once identified, these initiatives will be assessed and will be incorporated into our future building strategy.

Going concern

The Company has a net liabilities position as at 31 October 2022 of £10,777,000 (2021: £9,390,000), net current liabilities position of £98,262,000 (2021: £86,803,000) and has recorded a loss of £1,387,000 (2021: loss of £2,504,000). The Company forecasts are accumulated into the Group (headed by JLA Acquisitions Topco Limited) forecasts alongside the forecasts of the other companies within the Group. The Company also makes use of bank facilities agreed on a JLA Acquisitions Topco Group wide basis together with other Companies under the control of JLA Acquisitions Topco Limited, whereby each Company guarantees the borrowings of the others.

The Group has considerable financial resources, together with significant forecast cash generation from operations. As part of the going concern review the directors' considered specific assumptions and risks to achieving forecast outcomes and have considered liquidity as well as the ability to operate within the Group's current financing facilities.

The directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Due to the net liabilities position, the Company has received confirmation from the directors of the ultimate parent company, JLA Acquisitions Topco Limited, that they intend to continue to provide support for a period of at least twelve months from the date of approval of these financial statements.

In view of the assurances made by the directors of the ultimate parent company, and reviewing the Group forecasts which cover a period exceeding 12 months from the date of signature of the financial statements, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the report and financial statements.

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

S Norton
Director

10 July 2023

Directors' report

The directors present their report and the financial statements for the year ended 31 October 2022.

Principal activities

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

Directors

The Directors who served during the year and subsequently were:

B Gujral
S Norton

Results and dividends

The income statement is set out on page 13 and shows the loss for the year of £1,387,000 (2021: loss of £2,504,000).

The Directors have not paid or declared a dividend for 2022 (2021: £nil).

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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 financial statements for the Company; and
- the financial risk management objectives and policies of the Company.

Future developments

Refer details in the Strategic report on page 2.

Vanilla Group Limited

Directors' report (continued)

Auditor

BDO 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

S Norton
Director

10 July 2023

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 Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). 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 year. 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 Financial Reporting Standard 101 Reduced Disclosure Framework has 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

Opinion on the 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 2022 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.

We have audited the financial statements of Vanilla Group Limited ("the Company") for the year ended 31 October 2022 which comprise the income statement, the statement of financial position, the statements of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Vanilla Group Limited (continued)

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of Vanilla Group Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the non-statutory financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies, FRS 101 (UK GAAP), the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.

We determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the year; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

Sakib Isa

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Sakib Isa (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, United Kingdom
10 July 2023

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

Vanilla Group Limited

Income statement
Year ended 31 October 2022

	Notes	2022 £'000	2021 £'000
Administrative expenses		(1,387)	(2,504)
Loss before tax	5	(1,387)	(2,504)
Tax on loss	8	-	-
Loss for the financial year		(1,387)	(2,504)

There were no other recognised gains or losses other than those included in the income statement and therefore no separate statement of other comprehensive income has been presented.

All activities relate to continuing operations in both the current and prior year.

Vanilla Group Limited

Statement of financial position
As at 31 October 2022

	Notes	2022 £'000	2021 £'000
Non current assets			
Investments	9	87,484	77,413
		87,484	77,413
Current assets			
Trade and other receivables	10	14,194	14,242
Cash and bank balances		30	30
		14,224	14,272
Total assets		101,708	91,685
Current liabilities			
Trade and other payables	11	(112,485)	(101,075)
Net current liabilities		(98,262)	(86,803)
Total assets less current liabilities		(10,777)	(9,390)
Net liabilities		(10,777)	(9,390)
Equity			
Called up share capital	12	2,562	2,562
Share premium	13	624	624
Retained earnings	13	(13,963)	(12,576)
Equity attributable to the owners of the Company		(10,777)	(9,390)

The accompanying notes 1 - 16 are an integral part of the financial statements. The financial statements of Vanilla Group Limited registered number 02566320 were approved by the Board of Directors on 10 July 2023.

Signed on behalf of the Board of Directors

S Norton
Director

Vanilla Group Limited

Statement of changes in equity
Year ended 31 October 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 31 October 2020	2,562	624	(10,072)	(6,886)
Loss and total comprehensive expense for the year	-	-	(2,504)	(2,504)
Balance at 31 October 2021	2,562	624	(12,576)	(9,390)
Loss and total comprehensive expense for the year	-	-	(1,387)	(1,387)
Balance at 31 October 2022	2,562	624	(13,963)	(10,777)

Vanilla Group Limited

Notes to the financial statements
Year ended 31 October 2022

1. General information

Vanilla Group Limited (the Company) is a private company limited by shares domiciled and incorporated in England and Wales, in the United Kingdom, under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 6.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the Group accounts of JLA Midco Limited. The Group accounts of JLA Midco Limited are available from Companies House.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2. Standards, amendments to published standards and interpretations effective for the year ended 31 October 2022

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 October 2022 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

The following amendments are effective for the period beginning 1 January 2022:

- Amendments to IAS 37: Provisions, contingent liabilities and contingent assets: Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use;
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
• Definition of Accounting Estimates (Amendments to IAS 8); and
• Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

• IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
• IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
• IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

Vanilla Group Limited is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as it does not have convertible debt instruments. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

3. Accounting policies

Basis of preparation of financial statements

The Company's financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
    - a reconciliation of the number of shares outstanding at the start and end of the prior period;
    - reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period;
- a Statement of Cash Flows and related disclosures for cash flows from discontinued activities;
- a statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead);
- additional comparative information for narrative disclosures and information, beyond IFRS requirements;
- disclosures in relation to the objectives, policies and process for managing capital;
- disclosure of the effect of future accounting standards not yet adopted;
- the remuneration of key management personnel;
- related party transactions with two or more wholly owned members of the group;
- certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations; and
- the amount of lease income recognised on operating leases as lessor.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of JLA Midco Limited. These financial statements do not include certain disclosures in respect of:

- share based payments – details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment;
- financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures; and
- fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

3. Accounting policies (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Accounting reference date

The accounting period of the company and group ends on the Friday falling between 28 October and 3 November each year but are always reported as at 31 October.

Going concern

The Company has a net liabilities position as at 31 October 2022 of £10,777,000 (2021: £9,390,000), net current liabilities position of £98,262,000 (2021: £86,803,000) and has recorded a loss of £1,387,000 (2021: loss of £2,504,000). The Company forecasts are accumulated into the Group (headed by JLA Acquisitions Topco Limited) forecasts alongside the forecasts of the other companies within the Group. The Company also makes use of bank facilities agreed on a JLA Acquisitions Topco Group wide basis together with other Companies under the control of JLA Acquisitions Topco Limited, whereby each Company guarantees the borrowings of the others.

The Group has considerable financial resources, together with significant forecast cash generation from operations. As part of the going concern review the directors' considered specific assumptions and risks to achieving forecast outcomes and have considered liquidity as well as the ability to operate within the Group's current financing facilities.

The directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Due to the net liabilities position, the Company has received confirmation from the directors of the ultimate parent company, JLA Acquisitions Topco Limited, that they intend to continue to provide support for a period of at least twelve months from the date of approval of these financial statements.

In view of the assurances made by the directors of the ultimate parent company, and reviewing the Group forecasts which cover a period exceeding 12 months from the date of signature of the financial statements, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the report and financial statements.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Notes to the financial statements
Year ended 31 October 2022

3. Accounting policies (continued)

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or when the annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have increased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial assets

The Company's financial assets are all categorised as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial liabilities

The Company's financial liabilities are all categorised as other financial liabilities. Other financial liabilities are measured at amortised cost.

Estimation of fair values

For trade and other receivables/payables, the notional amount is deemed to reflect the fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity of three months or less.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at their cost.

3. Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Carrying value of investments

The Company recognises investments at cost less provision for impairment. The assessment of impairment requires judgement regarding the future trading performance of the subsidiaries of the Company. Details of the carrying values of investments are referred to in note 9.

5. (Loss)/profit before tax

Administrative expenses incurred in the year ended 31 October 2022, of £1,387,000 (2021: £2,504,000), consists of M&A costs including legal & professional fees and costs incurred to integrate the acquisitions.

6. Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	5	3

All remuneration payable to the auditor has been borne by another group company.

7. Staff costs

The only employees of the Company are the Directors. The Directors did not receive any remuneration from the Company for their services during the year to 31 October 2022 (2021: £nil).

8. Taxation

Factors affecting tax for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
(Loss)/profit before tax	(1,387)	(2,504)
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(264)	(476)
Effects of:		
Expenses not deductible for tax purposes	264	476
Group relief surrendered	-	-
Tax charge for the year	-	-

Factors that may affect future tax charges

In the November 2022 Autumn Statement Budget, it was announced that the standard rate of corporation tax would be increasing to 25% from 1 April 2023. There is no expiry date on the timing differences, unused tax losses or tax credits.

9. Investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 November 2021	84,488
Additions arising from business combinations	10,071
At 31 October 2022	94,559
Provision for impairment	
At 1 November 2021 and 31 October 2022	7,075
Net book value	
At 31 October 2022	87,484
At 31 October 2021	77,413

On 11 February 2020, the company acquired 100% of the issued ordinary share capital and voting rights of T Jolly Facility Services Limited and Atlas Service Holdings Limited for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £7,657,000. The acquisition was selected to expand the company's heating business and share of the market.

On 12 February 2020, the company acquired 100% of the issued ordinary share capital and voting rights of Ripponden 12 Limited for consideration of £1.

On 21 August 2020, the company acquired 100% of the issued ordinary share capital and voting rights of Crystal Surface Limited for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £688,000. The acquisition was selected to complement the existing catering business.

On 2 September 2020, the company acquired 100% of the issued ordinary share capital and voting rights of ITS Fire & Security Limited for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £7,069,000. The acquisition was selected to expand the company's fire safety business and share of the market.

On 8 September 2020, the company acquired 100% of the issued ordinary share capital and voting rights of Firewatch Southwest Holdings Limited for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £2,261,000. The acquisition was selected to expand the company's fire safety business and share of the market.

On 18 September 2020, the company acquired 100% of the issued ordinary share capital and voting rights of MacDonald Martin Limited for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £2,649,000. The acquisition was selected to expand the company's fire safety business and share of the market.

On 27 June 2022, the company acquired 100% of the issued ordinary share capital and voting rights of TFS Facilities Services Ltd, 20 20 Lifts & Escalators Ltd, Mehvac Ltd and Central Building Maintenance Ltd for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £2,456,000. The acquisition was selected to expand the company's fire safety business and share of the market.

Vanilla Group Limited

Notes to the financial statements
Year ended 31 October 2022

9. Investments (continued)

The company owns 100% of the issued share capital of the companies listed below, all of which are registered in England and Wales and are registered at Meadowcroft Lane, Halifax Road, Ripponden, Halifax, West Yorkshire, HX6 4AJ, except where otherwise indicated.

Directly held	Country	Registered office	Nature of business
JLA Limited			Laundry equipment supplier
JLA Total Care Limited			Hire and service of laundry equipment and provision of managed laundry facilities
Circuit Launderette Services Limited			Supply of managed launderettes
Circuit Launderette Services (Ireland) Limited	Ireland	70 Sir Rogerson's Quay, Dublin 2	Supply of managed launderettes
JLA Fire & Security Limited			Installation and service of fire safety equipment
Proton (Southern) Limited			Catering equipment supplier
Crystal Surface Limited			Specialised cleaning of commercial kitchens
MacDonald Martin Limited			Installation and service of fire safety equipment
TFS Facilities Services Ltd			Other construction installation
Atlas Services Holding Limited			Intermediate holding company
DCSW Limited			Intermediate holding company
FSW Holdings Limited			Intermediate holding company
T Jolly Facility Services Limited			Intermediate holding company
Ripponden 10 Limited			Dormant
Ripponden 11 Limited			Dormant
Ripponden 12 Limited			Dormant
Fire Bright Solutions Limited			Dormant
Fire Facilities Management Limited			Dormant
Newcombustion Engineering Limited			Dormant
Trinity Heat Care Limited			Dormant
Acer Equipment Limited			Dormant
Circuit Rentals Limited			Dormant
Newco Catering Equipment Limited			Dormant
The Stanland Group Limited			Dormant
Westwells (North West) Limited			Dormant
Wilson Electrics Limited			Dormant
William Whitfield Limited	Scotland	6 Belgrave Street, Bellshill Industrial Estate, Bellshill, ML4 3NP	Dormant
Comcat Engineering Limited	Scotland	6 Belgrave Street, Bellshill Industrial Estate, Bellshill, ML4 3NP	Dormant

9. Investments (continued)

Indirectly held	Country	Registered office	Nature of business
JLA HVAC Limited			Installation and service of heating equipment
Direct Catering Products Limited		Unit 25, Lodge Hill Industrial Park, Station Road, Wells, BA5 1EY	Catering equipment supplier
Astral Fire and Safety Limited			Installation and service of fire safety equipment
Firewatch South West Limited			Installation and service of fire safety equipment
Astral Total Limited			Dormant
Atlas Sterile Services Limited			Dormant
Ellesmere Group Limited			Dormant
Martin & Richards Limited			Dormant
Washrite Limited			Dormant
20 20 Lifts & Escalators Ltd			Dormant
Mehvac Ltd			Dormant
Central Building Maintenance Ltd			Dormant

10. Trade and other receivables

	2022 £'000	2021 £'000
Amounts owed from group undertakings	14,184	14,189
Other receivables	10	53
	14,194	14,242

Due to the short-term nature of the financial assets included in this note, they are held at undiscounted cost and are repayable on demand.

11. Trade and other payables

	2022 £'000	2021 £'000
Amounts owed to group undertakings	109,304	98,082
Accruals	3,181	2,993
	112,485	101,075

Due to the short-term nature of the financial liabilities included in this note, they are held at undiscounted cost and are repayable on demand. There is no interest charged on the amounts owed to group undertakings.

12. Share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid		
2,520,644 A ordinary shares of £1 each	2,521	2,521
164,848 B ordinary shares of 25p each	41	41
	2,562	2,562

The A and B ordinary shares have the same rights to dividends, and attendance and voting at general meetings.

In the event of a listing or sale, the rights of the B shareholders to receive any consideration is restricted.

13. Reserves

The motive and purpose of each reserve within equity is as follows:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value, and deduction of costs of raising equity.
Retained earnings	Cumulative net gains and losses from recognised earnings in the income statement.

14. Guarantees

The Company makes use of bank facilities agreed on a JLA Acquisitions Topco group wide basis together with other companies under the control of JLA Acquisitions Topco Limited, whereby each company guarantees the borrowings of the others. Full details of the JLA Acquisitions Topco group's assets and liabilities are disclosed in the accounts of JLA Acquisitions Topco Limited. The consolidated financial statements of JLA Acquisitions Topco Limited are available from Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

15. Related party transactions

The Company has taken advantage of the exemption granted by FRS 101 not to disclose transactions with other wholly-owned group companies.

16. Ultimate parent company and parent undertaking of a larger group

The immediate parent undertaking is Inhoco 3498 Limited, which is incorporated in England and Wales in the United Kingdom. JLA Midco Limited is the smallest Group of undertakings for which consolidated financial statements are drawn up and of which the company is a member. The consolidated financial statements of JLA Midco Limited are available from Companies House.

JLA Acquisitions Topco Limited is the largest of undertakings for which company financial statements are drawn up. The consolidated financial statements of JLA Acquisitions Topco Limited are available from Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

The majority shareholder in the Company is the Sixth Cinven Fund. The partnerships comprising the Sixth Cinven Fund are established in Guernsey and are managed and controlled by Cinven Capital Management (VI) General Partner Limited.