JLA Limited

Report and financial statements

31 October 2008

Rees Pollock
Chartered Accountants

COMPANY INFORMATION

Directors	J Laithwaite S R Laithwaite G S Wilkinson R H Logan R C Cardis Y Bateman D Lilley
Company secretary	G S Wilkinson
Registered office	Meadowcroft Lane Halifax Road Ripponden West Yorkshire HX6 4AJ
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Barclays Bank plc 1 Park Row Leeds LS1 5WU
Company number	1094178

DIRECTORS' REPORT
for the year ended 31 October 2008

The directors present their report and the financial statements for the year ended 31 October 2008.

Principal activities and business review

The principal activity of the company during the year under review was the supply of laundry equipment, related parts and maintenance service.

The company is a wholly-owned subsidiary of Vanilla Group Limited. The Vanilla Group Limited group manages its operations on a group wide basis and the company's position and performance should be viewed in this context. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Vanilla Group Limited group is discussed in the group's directors' report which does not form part of this report.

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 at a group level. Group risks are discussed in the group's directors' report which does not form part of this report.

Results and dividends

The profit for the year, after taxation, amounted to £636,494 (2007 - loss £1,731,645).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

J Laithwaite
S R Laithwaite
G S Wilkinson
R H Logan
S M Burrows (resigned 6 December 2008)
R C Cardis
Y Bateman
D Lilley
J J Fine (resigned 4 November 2008)
R A Lee (resigned 8 April 2008)

Statement of directors' responsibilities

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). The financial statements are required by law to 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;

DIRECTORS' REPORT
for the year ended 31 October 2008

- make judgments 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share purchase schemes.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Auditor

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 May 2009 and signed on its behalf.

GS Wilkinson

G S Wilkinson
Director

REES POLLOCK

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JLA LIMITED

We have audited the financial statements of JLA Limited for the year ended 31 October 2008, set out on pages 4 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Rees Pollock

Rees Pollock
Chartered Accountants & Registered Auditors

28 May 2009

PROFIT AND LOSS ACCOUNT
for the year ended 31 October 2008

	Note	2008 £	2007 £
TURNOVER	1,2	25,328,880	23,908,124
Cost of sales		(20,747,961)	(20,048,909)
GROSS PROFIT		4,580,919	3,859,215
Administrative expenses		(3,299,567)	(3,557,008)
OPERATING PROFIT	3	1,281,352	302,207
Interest payable	7	(261,263)	(2,429,875)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,020,089	(2,127,668)
Tax on profit/(loss) on ordinary activities	8	(383,595)	396,023
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	20	636,494	(1,731,645)

All amounts relate to continuing operations.

The notes on pages 7 to 16 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 October 2008

	2008 £	2007 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	636,494	(1,731,645)
Unrealised profit on revaluation of freehold property	-	1,169,093
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	636,494	(562,552)

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 October 2008

	2008 £	2007 £
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1,020,089	(2,127,668)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	26,711	13,470
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1,046,800	(2,114,198)
HISTORICAL PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION	663,205	(1,718,175)

The notes on pages 7 to 16 form part of these financial statements.

BALANCE SHEET
as at 31 October 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Intangible fixed assets	9		32,000		-
Tangible fixed assets	10		4,302,280		4,805,277
			4,334,280		4,805,277
CURRENT ASSETS					
Stocks	11	4,482,822		4,919,673	
Debtors	12	6,168,718		16,907,781	
Cash in hand		1,212,312		11,000	
		11,863,852		21,838,454	
CREDITORS: amounts falling due within one year	13	(13,827,639)		(24,640,765)	
NET CURRENT LIABILITIES			(1,963,787)		(2,802,311)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,370,493		2,002,966
CREDITORS: amounts falling due after more than one year	14		(1,537,420)		(1,806,387)
NET ASSETS			833,073		196,579
CAPITAL AND RESERVES					
Called up share capital	19		150,000		150,000
Revaluation reserve	20		1,581,677		1,608,388
Profit and loss account	20		(898,604)		(1,561,809)
SHAREHOLDERS' FUNDS	21		833,073		196,579

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 May 2009.

GS Wilkinson

G S Wilkinson
Director

The notes on pages 7 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards.

Consolidation

The company was. at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

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 wholly owned and its parent publishes a consolidated cash flow statement.

Related parties

The company is a wholly owned subsidiary of Vanilla Group Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS8 from disclosing transactions with members or investees of the Vanilla Group Limited group.

Turnover

The turnover shown in the profit and loss account represents the value of goods and services provided during the year, stated net of value added tax.

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

1.2 Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on revalued amount
Improvement Expenditure	-	5 years
Motor vehicles	-	3-4 years
Fixtures & fittings	-	8 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

1. ACCOUNTING POLICIES (continued)

1.3 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving items. Costs include all direct expenditure.

1.4 Hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating lease agreements

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pension Costs

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

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

2. TURNOVER

The turnover and profit before tax are attributable to the one principle activity of the company and arise wholly within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Amortisation - intangible fixed assets	49,000	-
Depreciation of tangible fixed assets:		
- owned by the company	480,644	405,114
- held under finance leases	366,597	358,348
Auditors' remuneration	55,175	61,621
Operating lease rentals:		
- other than land and buildings	500,627	469,943

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2008 £	2007 £
Wages and salaries	11,766,296	10,700,228
Social security costs	1,356,613	1,636,182
Other pension costs	399,917	571,284
	13,522,826	12,907,694

The average monthly number of staff during the year was as follows:

	2008 No.	2007 No.
Selling and production	188	166
Administration	74	64
Management	26	29
Research	4	17
	292	276

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

5. DIRECTORS' EMOLUMENTS

	2008 £	2007 £
Emoluments	2,378,236	2,016,614
Company pension contributions to money purchase pension schemes	46,408	73,942

During the year retirement benefits were accruing to 10 directors (2007 - 11) in respect of money purchase pension schemes.
The highest paid director received remuneration of £856,983 (2007 - £552,202).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £9,265 (2007 - £7,102).

6. ADMINISTRATIVE EXPENSES

Certain administrative expenses, such as wages and salaries, are born by the company and recharged to other group companies by way of a management recharge.

7. INTEREST PAYABLE

	2008 £	2007 £
On bank loans and overdrafts	210,426	2,425,033
Other similar charges	20,430	(32,660)
On finance leases and hire purchase contracts	30,407	37,502
	261,263	2,429,875

Interest payable includes interest paid on bank loans within other group companies.

8. TAXATION

	2008 £	2007 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	60,924	-
Deferred tax (see note 15)		
Origination and reversal of timing differences	322,671	(396,023)
Tax on profit/loss on ordinary activities	383,595	(396,023)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK (28% (2007 - 30%)). The differences are explained below:

	2008 £	2007 £
Profit/loss on ordinary activities before tax	1,020,089	(2,127,668)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	285,625	(638,306)
Effects of:		
Expenses not deductible for tax purposes	40,671	273,467
Timing differences on fixed assets	69,232	5,504
Movement in trading losses carried forward	(335,456)	335,777
Other timing differences	852	(1,250)
Change in future tax rates	-	24,808
Current tax charge for the year (see note above)	60,924	-

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 November 2007	-
Transfers from group companies	81,000
At 31 October 2008	81,000
Amortisation	
At 1 November 2007	-
Charge for the year	49,000
At 31 October 2008	49,000
Net book value	
At 31 October 2008	32,000
At 31 October 2007	-

The goodwill originally arose in another group company, the assets and liabilities of which were transferred to JLA Limited in the year at book value.

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvement expenditure £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost or valuation					
At 1 November 2007	3,000,000	192,898	1,657,958	1,666,805	6,517,661
Additions	-	-	86,297	307,178	393,475
Disposals	-	-	(356,979)	(68,960)	(425,939)
Transfer between classes	-	-	92,802	68,680	161,482
At 31 October 2008	3,000,000	192,898	1,480,078	1,973,703	6,646,679
Depreciation					
At 1 November 2007	-	137,062	537,213	1,038,109	1,712,384
Charge for the year	60,000	19,635	408,058	359,548	847,241
Transfer from group companies	-	-	(245,488)	(68,960)	(314,448)
Transfer between classes	-	-	50,032	49,190	99,222
At 31 October 2008	60,000	156,697	749,815	1,377,887	2,344,399
Net book value					
At 31 October 2008	2,940,000	36,201	730,263	595,816	4,302,280
At 31 October 2007	3,000,000	55,836	1,120,745	628,696	4,805,277

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
Motor vehicles	666,836	718,370

The freehold property was re-valued in 2006 at a value of £3,000,000, on an open market basis, by a member of the Royal Institute of Chartered Surveyors on behalf of Lambert Smith Hampton Group Limited.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2008 £	2007 £
Cost	1,664,428	1,664,428
Accumulated depreciation	(315,573)	(282,286)
Net book value	1,348,855	1,382,142

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

11. STOCKS

	2008 £	2007 £
Finished goods and goods for resale	4,482,822	4,919,673

12. DEBTORS

	2008 £	2007 £
Trade debtors	2,162,920	2,560,032
Amounts owed by group undertakings	1,538,793	10,972,740
Other debtors	1,672,131	1,635,501
Prepayments and accrued income	617,257	1,232,412
Deferred tax asset (see note 15)	177,617	507,096
	6,168,718	16,907,781

13. CREDITORS:
Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	189,406	1,232,929
Net obligations under finance leases and hire purchase contracts	228,391	477,897
Trade creditors	1,654,639	2,559,725
Amounts owed to group undertakings	8,387,237	17,616,625
Corporation tax	52,683	-
Social security and other taxes	842,633	611,127
Other creditors	460,681	305,500
Accruals and deferred income	2,011,969	1,836,962
	13,827,639	24,640,765

Other creditors include contributions payable of £61,639 (2007 - £59,220) arising from the company's participation in a group defined contribution pension scheme.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

14. CREDITORS:
Amounts falling due after more than one year

	2008 £	2007 £
Bank loans	1,215,355	1,440,898
Net obligations under finance leases and hire purchase contracts	13,993	195,470
Accruals and deferred income	308,072	170,019
	1,537,420	1,806,387

Included within the above are amounts falling due as follows:

	2008 £	2007 £
Between one and two years		
Bank loans	189,406	194,278
Between two and five years		
Bank loans	562,218	582,835
Over five years		
Bank loans	463,731	663,785

Creditors include amounts not wholly repayable within 5 years as follows:

	2008 £	2007 £
Bank loans repayable by installments	463,731	663,785

The bank loans and overdraft, both under and over one year, are secured by a fixed and floating charge over the assets of the group and legal mortgage on the deeds relating to the company's freehold property at Ripponden.

The company's bank loan is due for repayment over the 7 years to 31 March 2016. Interest is payable at 1.75% above the base rate.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2008 £	2007 £
Between two and five years	13,993	195,470

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

15. DEFERRED TAX ASSET

	2008 £	2007 £
At beginning of year	507,096	111,073
(Charge for)/released during year	(322,671)	396,023
Other movement	(6,808)	-
At end of year	177,617	507,096

The deferred tax asset is made up as follows:

	2008 £	2007 £
Tax losses available	-	391,776
Other timing differences	177,617	115,320
	177,617	507,096

16. OPERATING LEASE COMMITMENTS

At 31 October 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 Leases other than land and buildings £	2007 Leases other than land and buildings £
Expiry date:		
Within 1 year	89,865	80,769
Between 2 and 5 years	317,191	352,037

17. GUARANTEE

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

18. RELATED PARTY TRANSACTIONS

J Laithwiate, S Laithwaite and G Wilkinson, directors of the company, are also directors of Laundry FM Partners Limited. As these directors are common to both parties they are considered to be related parties under FRS8.

Laundry FM Partners Limited have entered into an agreement with JLA Limited whereby JLA Limited provide maintenance and servicing on their laundry equipment. Included in the profit and loss account for the period is income of £640,386 (2007 - £533,197) in relation to this agreement.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2008

19. SHARE CAPITAL

	2008	2007
	£	£
Authorised, allotted, called up and fully paid		
150,000 Ordinary shares of £1 each	150,000	150,000

20. RESERVES

	Revaluation reserve	Profit and loss account
	£	£
At 1 November 2007	1,608,388	(1,561,809)
Profit for the year		636,494
Transfer	(26,711)	26,711
At 31 October 2008	1,581,677	(898,604)

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Opening shareholders' funds	196,579	759,131
Profit/(loss) for the year	636,494	(1,731,645)
Other recognised gains and losses during the year	-	1,169,093
Closing shareholders' funds	833,073	196,579

22. DERIVATIVES NOT INCLUDED AT FAIR VALUE

The Company has derivatives which are not included at fair value in the accounts:

	2008	2007
	£	£
Fair value of forward foreign exchange contracts	300,000	-

The Company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates. The fair values are based on market values of equivalent instruments at the balance sheet date.

23. ULTIMATE PARENT COMPANY

The company's immediate and ultimate holding company at the balance sheet date was Vanilla Group Limited, which is incorporated in Great Britain and registered in England and Wales. Copies of the group accounts of Vanilla Group Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.

At the date of approval of these accounts the ultimate parent undertaking is Inhoco 3498 Limited.