

Company Registration No. 05096198

Proton (Southern) Limited

Annual Report and Financial Statements

Year ended 31 October 2022



Proton (Southern) Limited

Annual report and financial statements 2022

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Proton (Southern) Limited

Annual report and financial statements 2022

Officers and professional advisers

Directors

B Gujral
S Norton

Registered Office

Meadowcroft Lane
Halifax Road
Ripponden
West Yorkshire
HX6 4AJ

Bankers

Lloyds Bank
Church Street
Sheffield
S1 2FF

Auditor

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Proton (Southern) Limited

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 during the year was that of the marketing and sale of cleaning materials and commercial washware equipment. 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 8 and shows the profit for the year of £391,000 (2021: £269,000) which was driven by improved post pandemic performance.

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

The Company has a net asset position as at 31 October 2022 of £4,690,000 (2021: £4,299,000) and has recorded a profit of £391,000 (2021: £269,000). 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. After making appropriate enquiries, 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.

Proton (Southern) Limited

Directors' report

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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



S Norton
Director
10 July 2023

Proton (Southern) 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 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 Proton (Southern) Limited

Report on the audit of the financial statements

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Proton (Southern) 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 Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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 Proton (Southern) 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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.

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 risk 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 financial statements. There included but were not limited to those that relate to the form and content of the financial statements, such as the Company accounting policies, United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the UK Companies Act 2006; the taxation legislation; those that relate to the payment of employees; and industry related such as compliance with health and safety legislation. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

Independent auditor's report to the members of Proton (Southern) Limited (continued)

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. 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 review of manual journal entries posted to revenue and cash accounts, journals with unusual account combinations and journals including specific keywords;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Review of minutes of Board meetings throughout the period.

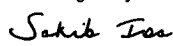
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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:

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Sakib Isa (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK
10 July 2023

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

Proton (Southern) Limited

Income statement Year ended 31 October 2022

	Notes	2022 £'000	2021 £'000
Revenue	5	2,552	2,106
Cost of sales		(1,715)	(890)
Gross profit		837	1,216
Administrative expenses		(439)	(938)
Operating profit before depreciation and non-recurring operating costs		455	482
Depreciation	6	(31)	(12)
Separately disclosed items	6	(26)	(192)
Operating profit	6	398	278
Finance costs	9	(7)	(9)
Profit before tax		391	269
Tax charge/(credit) on profit	10	-	-
Profit for the financial year		391	269

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.

Proton (Southern) Limited

Statement of financial position

As at 31 October 2022

	Notes	2022 £'000	2021 £'000
Non current assets			
Investments	11	-	-
Property, plant and equipment	12	329	332
Deferred tax asset	17	1	1
		<u>330</u>	<u>333</u>
Current assets			
Inventories	13	376	271
Trade and other receivables	14	3,582	3,653
Cash and bank balances		851	392
		<u>4,809</u>	<u>4,316</u>
Total assets		<u>5,139</u>	<u>4,649</u>
Current liabilities			
Trade and other payables	15	(423)	(324)
Lease liabilities	16	(17)	(16)
		<u>(440)</u>	<u>(340)</u>
Net current assets		<u>4,369</u>	<u>3,976</u>
Total assets less current liabilities		<u>4,699</u>	<u>4,309</u>
Non current liabilities			
Lease liabilities	16	(9)	(10)
Net assets		<u>4,690</u>	<u>4,299</u>
Equity			
Called up share capital	18	-	-
Retained earnings	19	4,690	4,299
Equity attributable to the owners of the Company		<u>4,690</u>	<u>4,299</u>

The accompanying notes 1 - 22 are an integral part of the financial statements. The financial statements of Proton (Southern) Limited registered number 05096198 were approved by the Board of Directors on 10 July 2023.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Board of Directors



S Norton, Director

Proton (Southern) Limited

Statement of changes in equity Year ended 31 October 2022

	Share capital £'00	Retained earnings £'000	Total £'000
Balance at 31 October 2020	-	4,030	4,030
Profit and total comprehensive income for the year	-	269	269
Balance at 31 October 2021	-	4,299	4,299
Profit and total comprehensive income for the year	-	391	391
Balance at 31 October 2022	-	4,690	4,690

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

1. General information

Proton (Southern) 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 directors' report on pages 2 to 3.

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

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 financial 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 Company. 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)

Proton (Southern) Limited is currently assessing the impact of these new accounting standards and amendments. The Company 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 Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

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; and
 - 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.

Proton (Southern) Limited

Notes to the financial statements **Year ended 31 October 2022**

3. Accounting policies (continued)

Basis of preparation of financial statements (continued)

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 group 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, except for 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.

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.

Going concern

The Company has a net asset position as at 31 October 2022 of £4,690,000 (2021: £4,299,000) and has recorded a profit of £391,000 (2021: £269,000). 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.

After making appropriate enquiries, 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.

Proton (Southern) Limited

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.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful economic lives, they are accounted for as separate items.

Depreciation is charged to the Income Statement over the estimated useful life of each part of an item of property, plant and equipment. The estimated useful economic lives and depreciation rates are as follows:

Leasehold property	-	life of lease or expected life of the asset if lower
Plant and machinery	-	5 - 8 years straight-line
Fixtures and fittings	-	3 - 8 years straight-line

Inventories

Inventory is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost includes expenditure incurred in bringing the inventory to its present location and condition and in the case of goods purchased from overseas includes an appropriate element of freight and duty charges. Net realisable value is based on selling price less anticipated sales and distribution costs. Inventory is recognised when the economic benefits and risks associated with the goods have substantially transferred to the Company.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

3. Accounting policies (continued)

Financial assets

The Company's financial assets are all categorised as loans and receivables with the exception of derivative financial instruments which are categorised as fair value through profit or loss (FVTPL). Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise 'Trade and other receivables' and 'Cash and cash equivalents' in the Statement of Financial Position.

Cash and cash equivalents comprise short-term cash deposits with major United Kingdom clearing banks earning floating rates of interest based upon bank base rates or rates linked to LIBOR.

Financial liabilities

The Company's financial liabilities are all categorised as other financial liabilities. Other financial liabilities, with the exception of foreign exchange forward contracts, forward interest rate swaps and interest rate caps, are measured at amortised cost. Foreign exchange forward contracts, forward interest rate swaps and interest rate caps are measured at fair value. The Company's other financial liabilities comprise of 'Interest-bearing loans and borrowings' and 'Trade and other payables' and are measured at amortised cost.

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.

Financial expenses

Financial expenses comprise interest payable on interest-bearing loans and borrowings. Financial expenses are recognised in the Income Statement on an effective interest method.

Interest bearing loans and borrowings

All borrowings are stated at the fair value of consideration received after deduction of issue costs.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to their initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Revenue recognition

The revenue shown in the income statement represents the amounts of goods and services provided during the year, stated net of value added tax. Revenue represents the amounts receivable from customers during the year and is recognised on an accruals basis when all of the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

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.

Pensions

The Company participates in a group defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. Differences between contribution payable in the year and those actually paid are included in accruals or prepayments on the balance sheet.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

3. Accounting policies (continued)

Leasing and hire purchase

Assets funded through finance leases and similar hire purchase contracts are capitalised as property, plant and equipment where the Company assumes substantially all of the risks and rewards of ownership. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Future instalments under such leases, net of financing costs, are included within interest-bearing loans and borrowings.

Rental payments are apportioned between the finance element, which is included in finance costs, and the capital element which reduces the outstanding obligation for future instalments so as to give a constant charge on the outstanding obligation.

All other leases are accounted for as operating leases and the rental costs are charged to the Income Statement on a straight line basis over the life of the lease.

Operating lease incentives, in the form of rent free periods or support for fit out costs, are recognised on a straight line basis, as a reduction of the rental expense over the full lease term. Premia paid to acquire leases are initially deferred and subsequently amortised to the income statement over the life of the lease.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

4. Critical accounting judgements and 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.

Critical judgements in applying the Group's accounting policies

There are no critical judgements, apart from those involving estimation (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies.

Key sources of estimation uncertainty

There are no 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.

5. Revenue

An analysis of revenue attributable to the one principal activity is shown by geographical segment as follows:

	2022 £'000	2021 £'000
Distribution and service - United Kingdom	2,552	2,106

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

6. Profit before taxation

	2022 £'000	2021 £'000
Profit/(loss) before taxation is stated after charging:		
Depreciation		
- owned by the Company (note 12)	28	6
- held as right-of-use assets (note 12)	3	6
Separately disclosed items:		
- terminations	21	178
- legal and other costs	5	-
- COVID-19 costs	-	14
	<u>28</u>	<u>194</u>

Separately disclosed items incurred during the year comprise:

- Terminations costs relate to redundancies arising from organisational changes, including any settlement payments, the costs of serving any notice periods, gardening leave and any related legal costs.
- Legal and other costs incurred as a result of organisational changes, integration activities and acquisitions, shareholder costs and investments made in JLA's academy for trainee engineers.
- COVID-19 costs are specific and incremental costs borne by the business owing to the unprecedented impact to the UK economy caused by the pandemic.

7. Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	18	7
	<u>18</u>	<u>7</u>

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

8. Staff costs

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

	2022 £'000	2021 £'000
Wages and salaries	538	572
Social security costs	66	68
Other pension costs	32	32
	<u>636</u>	<u>672</u>

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

	2022 No.	2021 No.
Administration and management	11	11
Selling and production	3	3
	<u>14</u>	<u>14</u>

The Company has paid £nil in the form of Directors' remuneration. The Directors of this company have received emoluments and these have been borne by JLA Acquisitions Topco Limited, another group company.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

9. Finance costs

	2022 £'000	2021 £'000
<i>Interest expense on</i>		
Bank loans and overdrafts	6	7
Lease liabilities	1	2
	<u>7</u>	<u>9</u>

10. Taxation

	2022 £'000	2021 £'000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year 19% (2021: 19%)	-	-
Total current tax	-	-
Deferred tax (note 17)		
Origination and reversal of temporary differences	-	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	-	-
Tax on profit	-	-

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 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before tax	391	269
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	74	51
Effects of:		
Fixed asset differences	-	1
Group relief claimed	(74)	(52)
Tax (credit)/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.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

11. Investments

	Shares in subsidiary undertakings £
Cost and net book value	
At beginning and end of year	2

The investment above represents 100% of the share capital and voting rights of Washrite Limited, a company incorporated in England and Wales, with a registered office address of Meadowcroft Lane Halifax Road, Ripponden, Sowerby Bridge, West Yorkshire, HX6 4AJ.

During the current and prior year Washrite Limited did not trade and consequently did not achieve a profit or a loss.

12. Property, plant and equipment

	Leasehold property £'000	Right-of- use assets £'000	Total £'000
Cost			
At 1 November 2021	364	55	419
Additions	-	28	28
Disposal	-	(11)	(11)
At 31 October 2022	364	72	436
Depreciation			
At 31 October 2021	57	30	87
Charge for the year	3	28	31
Disposal	-	(11)	(11)
At 31 October 2022	60	47	107
Net book value			
At 31 October 2022	304	25	329
At 31 October 2021	307	25	332

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

12. Property, plant and equipment (continued)

The carrying amounts of property, plant and equipment include right-of-use assets at 31 October 2022 as detailed below:

	2022 £'000	2021 £'000
The types of assets the cost of right-of-use assets relates to:		
Leasehold property	10	10
Motor vehicles	62	46
	<hr/>	<hr/>
At 31 October	72	56
The types of assets the depreciation of right-of-use assets relates to:		
Leasehold property	9	6
Motor vehicles	38	24
	<hr/>	<hr/>
At 31 October	47	30
	<hr/>	<hr/>
The types of assets the carrying amount of right-of-use assets relates to:		
Leasehold property	1	4
Motor vehicles	24	21
	<hr/>	<hr/>
At 31 October	25	25
	<hr/>	<hr/>

13. Inventories

	2022 £'000	2021 £'000
Finished goods and goods for resale	376	271
	<hr/>	<hr/>

There is no material difference between the balance sheet value of inventories and their replacement costs.

14. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	384	392
Amounts owed by group undertakings	3,189	3,253
Prepayments and accrued income	9	8
	<hr/>	<hr/>
	3,582	3,653
	<hr/>	<hr/>

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. There is no interest charged on the amounts owed by group undertakings.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

15. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	333	252
Social security and other taxes	73	62
Accruals and deferred income	17	10
	<u>423</u>	<u>324</u>

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.

16. Lease liabilities

The Company leases properties used for its operations in the UK. Lease terms are 20 years.

The Company leases motor vehicles used for its operations in the UK. Lease terms are 3 years.

Maturity analysis of lease liabilities

The maturity of the gross contractual discounted cash flows due on the Company's lease liabilities is set out below based on the period between 31 October and the contractual maturity date:

	Property leases 31 October 2022 £'000	Motor vehicles 31 October 2022 £'000	Total leases 31 October 2022 £'000
Within one year	1	8	9
Within one to five years	-	17	17
	<u>1</u>	<u>25</u>	<u>26</u>

The maturity of the gross contractual undiscounted cash flows due on the Company's lease liabilities is set out below based on the period between 31 October and the contractual maturity date:

	Property leases 31 October 2022 £'000	Motor vehicles 31 October 2022 £'000	Total leases 31 October 2022 £'000
Within one year	1	9	10
Within one to five years	-	18	18
	<u>1</u>	<u>27</u>	<u>28</u>

The weighted average incremental borrowing rate applied to lease liabilities is 7.617% (2021: 5.410%) which is based on the weighted average external borrowing rate of the group.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

16. Lease liabilities (continued)

The maturity of the gross contractual discounted cash flows due on the Company's lease liabilities is set out below based on the period between 31 October and the contractual maturity date:

	Property leases 31 October 2021 £'000	Motor vehicles 31 October 2021 £'000	Total leases 31 October 2021 £'000
Within one year	3	13	16
Within one to five years	1	9	10
Over five years	-	-	-
	<u>4</u>	<u>22</u>	<u>26</u>

The maturity of the gross contractual undiscounted cash flows due on the Company's lease liabilities is set out below based on the period between 31 October and the contractual maturity date:

	Property leases 31 October 2021 £'000	Motor vehicles 31 October 2021 £'000	Total leases 31 October 2021 £'000
Within one year	3	14	17
Within one to five years	1	9	10
Over five years	-	-	-
	<u>4</u>	<u>23</u>	<u>27</u>

17. Deferred taxation

	2022 £'000	2021 £'000
Non current deferred tax asset	<u>1</u>	<u>1</u>
	2022 £'000	2021 £'000
At beginning of year	1	1
Current year - income statement	<u>-</u>	<u>-</u>
At end of year	<u>1</u>	<u>1</u>

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

17. Deferred taxation (continued)

The deferred taxation balance is made up as temporary differences on the following:

	Tangible fixed assets £'000
As at 31 October 2020	1
Current year - income statement	-
As at 31 October 2021	1
Current year - income statement	-
As at 31 October 2022	1

There are no unprovided elements of deferred taxation in the current or prior year.

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 ordinary shares fully paid of £0.25 each	25	25
80 ordinary "A" shares fully paid of £0.25 each	20	20
88 ordinary "B" shares fully paid of £0.25 each	22	22
108 ordinary "B" shares fully paid of £0.25 each	27	27
24 ordinary "B" shares fully paid of £0.25 each	6	6
	100	100

All share classes carry identical rights.

The shares entitle the holders to vote at general meetings of the Company and to receive by way of dividend any profits available for distribution.

19. Reserves

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

Reserve	Description and purpose
Retained earnings	Cumulative net gains and losses from recognised earnings in the income statement

20. 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. 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.

21. 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.

Proton (Southern) Limited

Notes to the financial statements Year ended 31 October 2022

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

The immediate parent undertaking is Vanilla Group Limited, which is incorporated in England and Wales.

The ultimate parent undertaking is JLA Acquisitions Topco Limited, a company incorporated in Jersey. 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.

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.