Company Registration No. 126391

JLA Acquisitions Topco Limited

Annual Report and Financial Statements

Year ended 31 October 2021

(Registered under the Companies (Jersey) Law 1991)

JLA Acquisitions Topco Limited

Annual report and financial statements 2021

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JLA Acquisitions Topco Limited

Report and financial statements for the year ended 31 October 2021

Officers and professional advisers

Directors

R Neeson	(Cinven Partners)
D Tanase	(Cinven Partners)
Lord J Birt	
B Gujral	
A Duvall	

Details of Board composition and Director experience

The Board is responsible for the Group's objectives, business strategy, and its overall supervision and is primarily responsible for the promotion of the long-term success of the Company and the sustainable growth of shareholder value. The Board directs and reviews the Group's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters.

The Board has established a formal schedule of matters reserved for its approval and majority shareholder consent, and has delegated other specific responsibilities to its Sub-Committees: the Audit, Risk and Compliance Committee, and the Remuneration Committee. Each Committee's roles and responsibilities are set out in formal terms of reference determined by the Board.

Lord Birt (Chairman of the Board). Lord Birt brings extensive experience to the Group. Lord Birt has been a member of the House of Lords since 2000, and was the Prime Minister's Strategy Adviser (2000-2005). Previously, Lord Birt was Director-General of the BBC. In addition, he has been an adviser to McKinsey and Chairman of PayPal Europe. He was Chairman of WRG, Infinis and Maltby Capital, the holding company of EMI. Recently, Lord Birt has been Chairman of CPA Global and HEG.

Ben Gujral (Group Chief Executive Officer). Ben has over 15 years experience holding senior appointments in both listed and PE-backed businesses. He joined JLA from Cogital Group, a PE-backed services business, where he was Group CFO. Prior to that Ben acted as Group CFO of CPA Global.

Rory Neeson Investor Director (representative of Cinven Partners LLP). Rory joined Cinven in 2009 and leads the Business Services sector team. He has been involved in several transactions in addition to JLA, including Guardian Financial Services, Gondola, INSEEC U, Maxeda, NewDay, Phadia and Viridium Group. Prior to joining Cinven, Rory was at Bain & Company for five years working in London, Madrid and Stockholm on projects across a variety of sectors including financial services, retail, industrials and publishing. Rory holds an MA in Economics from Cambridge University.

Daniel Tanase Investor Director (representative of Cinven Partners LLP). Daniel joined Cinven in 2013 and is a member of the Business Services sector team and the regional team for Emerging Europe. He has been involved in a number of transactions including Barentz, Bioclinica, Prezioso, STANDA and Tinsa. Previously, Daniel was an associate at First Reserve and prior to that, he worked in the Global Natural Resources Group at Morgan Stanley. Daniel has a Bachelor of Commerce with a specialisation in Banking and Finance from the University College Dublin.

Anton Duvall (Group Chief Financial Officer). Anton joined the Group in June 2021. Anton is a senior executive with over 30 years' experience in senior finance positions as well as significant experience in Operational Management, Sales and Customer Services. Anton joined JLA from Trulite, a PE-backed manufacturing business and prior to this Anton held a number of CFO roles within the Siemens Group across a number of geographies.

JLA Acquisitions Topco Limited

Report and financial statements for the year ended 31 October 2021

Officers and professional advisers

The current members of the Board hold positions on the Audit Risk and Compliance Committee and Remuneration Committee as detailed below;

Lord Birt – Chairman and member of the Board Remuneration and Audit Risk and Compliance Committee

Ben Gujral – Group CEO and member of the Audit Risk and Compliance Committee and Board Remuneration Committee

Rory Neeson – Cinven, Investor Director and member of the Board Remuneration and Audit Risk and Compliance Committee

Daniel Tanase – Cinven, Investor Director and member of the Audit Risk and Compliance Committee

Anton Duvall – Group CFO and member of the Audit Risk and Compliance Committee

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Bankers

Lloyds Bank
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Sheffield
S1 2FF

Auditor

BDO LLP
3 Hardman Street
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M3 3AT

JLA Acquisitions Topco Limited

Strategic report

The director's present their report and the audited consolidated financial statements for the year ended 31 October 2021.

Corporate activity and shareholder transaction

These accounts include all the transactions of the Company and its subsidiaries (the Group) for the accounting year ended 31 October 2021.

The ultimate majority shareholder 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.

Business model

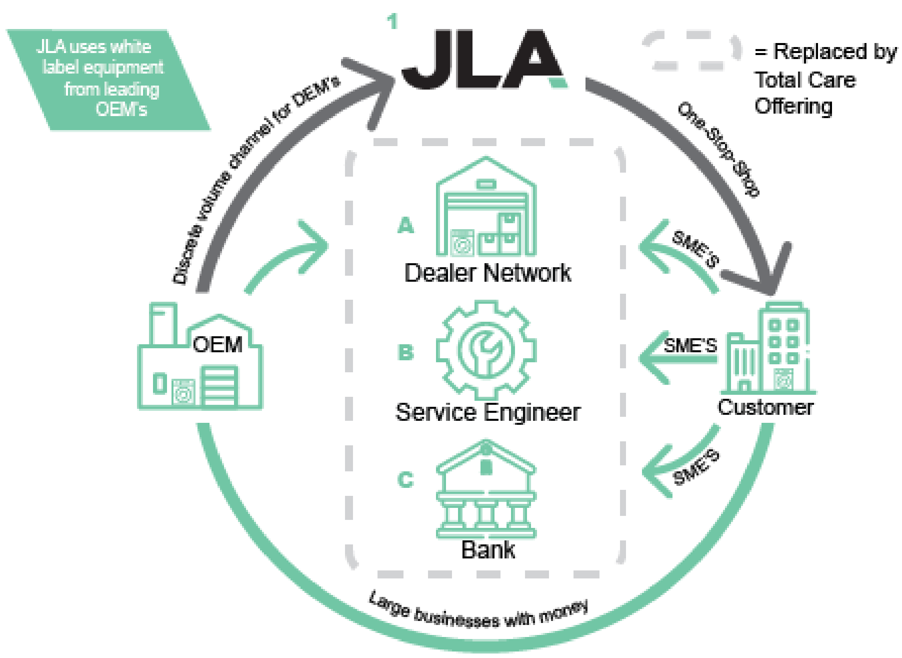
JLA is one of the UK's leading providers of critical equipment and servicing needs across commercial laundry, catering, heating and fire safety solutions. The company cares for the critical areas of our customers' businesses, giving them the peace of mind they need to be successful.

The Group has been supporting businesses for nearly 50 years by taking care of 25,000 customers critical equipment. If something goes wrong, wherever our customers are in the UK, we will deploy one of our network of over 450 highly skilled expert engineers to get our customers up and running.

The Group's end-to-end solution, "Total Care", provides customers with market leading critical assets under a long-term hire agreement, combined with a comprehensive service and maintenance agreement. The customer benefits from no upfront capital investment, and the peace of mind provided by JLA's customer services and network operations, for one monthly fee.

The customer benefits from the peace of mind of knowing that they have market leading critical assets, backed by a national network of engineers, enabling them to focus on what they need to do to succeed.

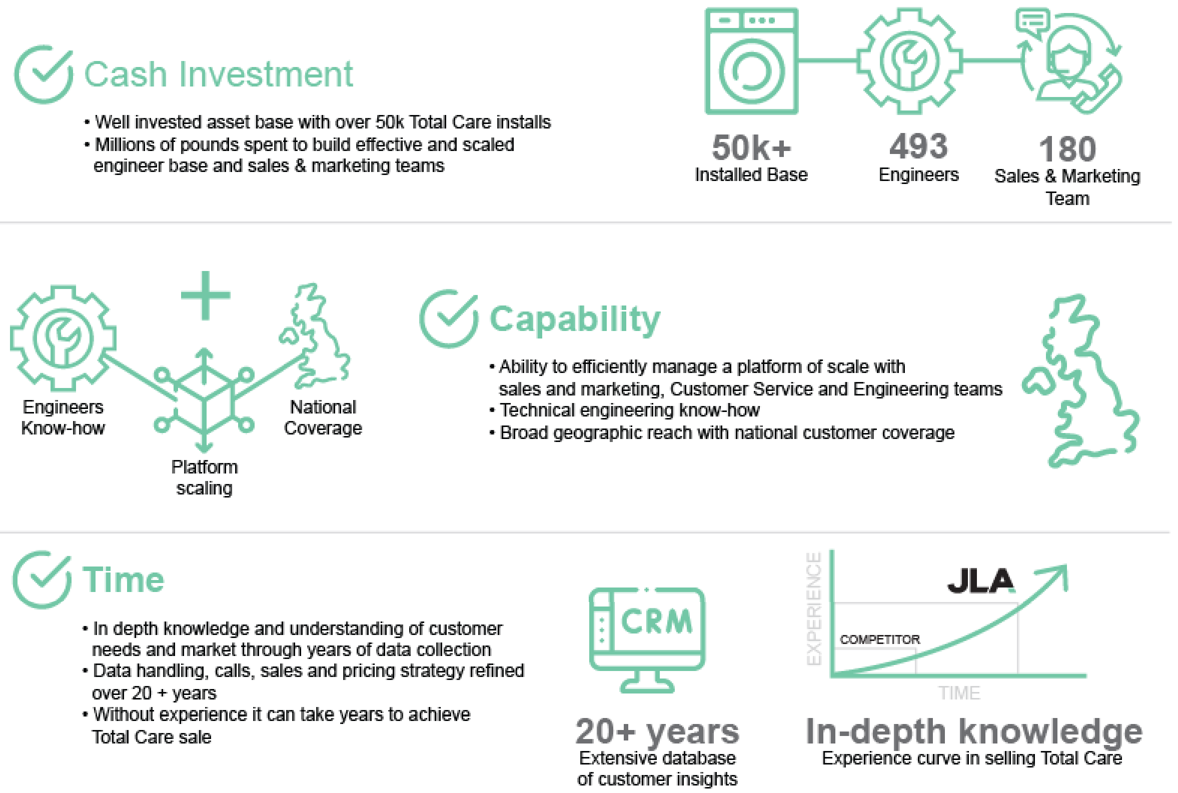
One-Stop-Shop with Total Care Solution



Business model (continued)

JLA focuses on pieces of equipment which are highly critical to a business' operations.

- Failure of these assets typically happens c.2 times a year and generates high levels of inconvenience and costly downtime for target customers – many businesses would not be able to run within day(s) of breakdown.
- Customers value the "peace of mind" for a relatively insignificant monthly payment (fixed or revenue share) compared to their overall P&L.



Business strategy

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.

JLA Acquisitions Topco Limited

Strategic report (continued)

Business review

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, air conditioning, fire safety and security equipment and the supply of managed launderettes. The Group's key performance target is to grow turnover and profits in the long term.

In the reporting period under review this has been achieved through organic growth. Revenue for the year is £149.4 million (2020: £137.4 million).

The business has demonstrated great resilience to the effects of the pandemic during the reported period. We have seen an improvement across all of our key financial metrics during the reported period despite the headwinds of two national lockdowns. We have also continued to support our colleagues and customers, without a reduction in service during this period.

The main measure of the Group’s profit performance is Adjusted EBITDA which is defined as operating profit from continuing operations before depreciation, intangible asset amortisation, profit/(loss) on disposal of fixed assets, share based payments and non-recurring operating costs. The directors consider that due to their size and nature, non-recurring operating costs should be excluded to provide a more accurate presentation of the operational performance of the group. Details of non-recurring operating costs can be found in note 6. Adjusted EBITDA is £44.8 million (2020: £35.9 million). Below is a reconciliation from Adjusted EBITDA to reported operating loss.

	2021 £’000	**2020 £’000**
Adjusted EBITDA	44,754	35,850
Depreciation	(15,769)	(14,756)
Intangible asset amortisation	(20,852)	(19,552)
Loss on disposal of fixed assets	(2,009)	(1,311)
Non-recurring operating costs	(14,723)	(18,397)
Operating loss	(8,599)	(18,166)

The Group recorded a loss after tax from continuing operations of £80.6m million (2020: £80.0 million) and reported net liabilities of £241.4 million (2020: £160.9 million).

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

The consolidated statement of financial position on pages 23 and 24 shows the Group's financial position at the year end. The Group's financial position was considered satisfactory in terms of working capital and cash, and the directors believe the Group to be well positioned for future growth. The net liabilities of £241.4 million (2020: £160.9 million) reflect the financing structure of the Group as discussed below. The consolidated statement of financial position reported cash of £24.6 million (2020: £31.5 million).

Non-Financial KPIs

JLA has introduced a number of non-financial KPIs. These KPI's are relevant and important as they are linked to the strategic priorities of the businesses and are recognised as key determining factors in the successful delivery of the business strategy. Any unintended outcomes or deviations from plan are reported to Cinven, with escalations to the Board as appropriate.

Carbon footprint

The Group sees sustainability as underpinning its strategy and core values. Given the number of engineers on the road servicing customers, carbon footprint reporting is seen as a measure of key importance and the Group will, in conjunction with its obligations under the Streamlined Energy and Carbon Reporting ("SECR") legislation, implement measures and controls to achieve economic and environmental benefits in this area.

Lost time accident frequency rate

The safety of its employees is of paramount importance to the Group and the focus on near miss reporting has improved greatly. Improved hazard perception by employees has reduced accidents overall and therefore the time lost to customers has reduced. We continue to target and strive to achieve a zero target which was achieved for the year ended 31 October 2020. For the year ended 31 October 2021, we achieved an LTIFR rate of 3.693, which is well below the Health & Safety Executive industry figure of 11.0 for our comparatives in the multiple skill service engineering industry.

Anti-bribery and corruption incidents

JLA has strong controls around bribery and corruption and provides annual formal training to colleagues to raise awareness of their duties and obligations. A Gifts and Hospitality register formally records gifts offered and received and an independent whistleblowing hotline provides a mechanism for the reporting of incidents of non-compliance across the Group.

Gender diversity

The business continues to acknowledge that a gender pay gap exists and whilst the results of calculations from this year provide an increased position for 2021 by 3% to 23% gender pay gap, the Group will continue to commit to reducing the gender pay gap through our attraction, recruitment, development and promotion strategies.

It is notable that a large proportion of the workforce are field based engineers which is a predominantly male based environment, therefore impacting on the gender pay calculations. JLA continues however to explore new opportunities to attract a more diverse engineering community within the Group, and remains confident in its ability to tackle this issue.

Net Promoter Score

NPS is a leading indicator used to measure a customer's overall satisfaction with and perception of the brand. JLA uses this measure in conjunction with other metrics and insights from the customer journey, such as lost and saved contracts, to provide an actionable view of customer experience performance and to give early warning indicators of customer issues and propensity to leave.

Future developments

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

The Group has substantially completed the integration of our acquisitions and has now established a meaningful position and national presence within the UK markets for our Laundry, Catering, Heating and Fire Safety divisions, through both organic and acquisition related growth. The Group intends to use its strong platform to leverage the sizeable opportunities that these markets present.

Risk Management

The Group continuously monitors and seeks to enhance its risk management and governance processes. The Group maintains a risk register and operates a robust governance framework which demonstrates strong controls throughout the organisation. The risk register is monitored on a periodic basis and strong oversight, challenge and assurance is achieved through regular reporting to the Audit Risk and Compliance Committee and the Board as required.

Principal risks and uncertainties

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

Not all these factors are within the direct control of the Group 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, the COVID-19 pandemic and the resulting economic downturn has had an adverse impact to the business, particularly in sectors that have been affected by UK Government guidance and regulations.

- 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, 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 regular 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. In addition, the Group has worked with its key suppliers to improve its supply chain relationships to help mitigate or share potential cost inflation risk.

- 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 now successfully implemented the outsourcing of 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 current global disruption to supply chains represents a risk to the business which is being mitigated through the adoption of a multiple supplier strategy.

- A further consequence of the pandemic, and to a certain extent, Brexit, has been the well-publicised pressures in the labour market. Demand for labour and in particular engineers, remains high which has resulted in challenges in staff recruitment and retention. Pay benchmarking and other pay measures (e.g. a door to door policy) have helped help to mitigate the recruitment risk, whilst other initiatives such as the engineer academy, apprenticeship scheme and the management development programme initiated post year-end will help to develop and retain staff once recruited.

Principal risks and uncertainties (continued)

- Credit and liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of the 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.
- Following the United Kingdom's departure from the European Union, the Board had closely analysed the possible impacts of Brexit and had prepared accordingly, mainly through the increased stockholding of key lines. This preparation has successfully mitigated the risk of any disruption to supply chains resulting from the increased complexity in importing goods from the European Union. The Board remains vigilant and continues to analyse the potential for any future impacts and will take any mitigating steps as and when required.

Sustainability Report

Gender

JLA operates an equal opportunities policy and opposes all forms of discrimination. The Group supports the provision of a living wage and gender equality. JLA prides itself in having such a diverse and talented workforce at its disposal, which is a key driver in the continued growth of the JLA Group.

	2021		2020	
	Men	Women	Men	Women
The Board	4	-	4	-
Executive Team	6	1	6	1
Senior Leadership Team	20	13	22	7
Other employees	737	345	830	355

Environmental matters

JLA seeks to continually improve its contribution to an inclusive, safer and more sustainable world for all, while facilitating and encouraging its customers to provide services in a socially and environmentally responsible way.

The outcome of the Streamlined Energy and Carbon Report for the period and the prior year, has provided the business with information on the material contributors to the scope 1 and scope 2 carbon emissions of the Group. During the period, we have developed a framework detailing the primary initiatives the business will focus on to reduce its impact on the environment, as well as a new governance structure to monitor these initiatives. In addition, we have engaged a third party to provide a more detailed analysis of our carbon footprint and to advise on the lifecycle assessment and total cost of ownership of alternative heating technologies. We will use the output of this advice to inform further initiatives to reduce our carbon footprint and to inform our customer and supplier strategy in our heating business. We have also identified key performance indicators in relation to our environmental impact so that we can monitor these KPIs, set targets and identify areas for improvement.

In particular, during the period, we have reduced the number of colleagues entitled to company cars and moved to electric and low emission hybrid vehicles only. We have also adopted a policy to source energy from renewable sources where possible, and we will start to track how much of our energy is from a renewable source.

Modern Slavery

JLA is committed to improving its practices to ensure that slavery and human trafficking is not present either within the Group itself or its supply chain. JLA continues to take positive steps to this end and describes in its annual statement the progress that has been made over the last year.

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. From the start of the pandemic, JLA made significant changes to working practices to ensure all staff could work in a safe environment. This included the procurement of appropriate personal protective equipment for our field engineering teams to enable them to work safely on customer premises; investing heavily in equipment to enable staff to work remotely; reorganising our office and other workplaces to facilitate effective social distancing at all times; and partnering with a private testing facility so as to provide comfort to customers and colleagues where necessary.

We have continued to keep track of and comply with government guidance in all the areas of the UK in which we operate and have adapted our operating procedures accordingly so as to provide a safe environment.

During these difficult times we have invested in our colleagues' wellbeing, with employee assistance and occupational health support partners, a mental health first aider programme, colleague wellbeing partners and a colleague health app.

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, including a pay benchmarking exercise, early stage leadership programmes and employee recognition schemes.

Diversity and inclusion

We recognise that employing people from diverse backgrounds makes our business stronger by providing different perspectives and skills. We are broadening our recruitment channels to improve visibility of our roles to specific under-represented groups and we have implemented a number of changes to our recruitment process to eliminate bias.

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

JLA Acquisitions Topco Limited

Strategic report (continued)

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

Our Customers

Like any business our customers are a key stakeholder for the Group. The pandemic saw an unprecedented number of businesses requesting support and JLA gave due consideration to our customers' needs where appropriate. We also invested in our service delivery to ensure that we maintained our strong levels of service despite the challenges of the pandemic. During the year we enhanced the digital capabilities of the Group with the launch of a new customer app to better engage, communicate with and advise our customers. We also invested in our data analytics capabilities to provide a deeper understanding of our customers and their needs. These actions demonstrate the long term view taken by the Board in order to maintain the strong relationship that the Group enjoys with its customers.

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.

The business began to see both cost and delivery time increases from its supply chain during the period, arising from the global supply chain pressures following the COVID-19 pandemic. We anticipate that this will continue throughout the current financial year, and we continue to maintain close relationships with our suppliers to mitigate the impact of such increases where possible, but also to identify alternative options where relevant and appropriate.

Integration

Subsequent to the year end, the Group has now substantially completed the integration of our acquisitions and now has an established presence within the UK markets for our Laundry, Catering, Heating and Fire Safety divisions. As part of this process, communication of the integration was sent to our customers and suppliers.

The integration has led to a streamlining of organisation structures which has led to a reduction in headcount through redundancies, those employees impacted have been communicated with through a consultation period.

The Environment

JLA seeks to continually improve its contribution to an inclusive, safer and more sustainable world for all, while facilitating and encouraging its customers to provide services in a socially and environmentally responsible way.

The outcome of the Streamlined Energy and Carbon Report for the period and the prior year, has provided the business with information on the material contributors to the scope 1 and scope 2 carbon emissions of the Group. During the year, we have developed a framework detailing the primary initiatives the business will focus on to reduce its impact on the environment, as well as a new governance structure to monitor these initiatives. In addition, we have engaged a third party to provide a more detailed analysis of our carbon footprint and to advise on the lifecycle assessment and total cost of ownership of alternative heating technologies. We will use the output of this advice to inform further initiatives to reduce our carbon footprint and to inform our customer and supplier strategy in our heating business. We have also identified key performance indicators in relation to our environmental impact so that we can monitor these KPIs, set targets and identify areas for improvement.

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Strategic report (continued)

Streamlined Energy and Carbon Reporting (“SECR”)

<u>Introduction and methodology</u>

As a leading supplier of commercial laundry, cleaning and catering equipment, we recognise our obligation to manage the environmental impact of our business operations and comply with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme. SECR was implemented in April 2019 and requires qualifying businesses to comply for financial years starting on or after 1 April 2019. This is the second year in which the Group is reporting energy and carbon emissions in accordance with the mandatory requirements of the SECR regulations. The compilation of this report is in line with the UK Government publication: ‘Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting’.

The Greenhouse Gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), Scope 2 (bought resources for use in our direct operations) and specific Scope 3 emissions (indirect emissions due to business activities). We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK’s target to bring all GHG emissions to net zero by 2050.

The energy consumption of our core business operations has been calculated using proprietary software to process utility bills for our site and fleet data. Our carbon emissions have been calculated in accordance with guidance provided by the UK Government and the WRI GHG Reporting Protocol methodology.

We stated last year that as our first SECR reporting year occurred during the COVID-19 pandemic, it would not be a suitable year to assign as a baseline year against which future energy saving measures are evaluated. The COVID-19 pandemic has also affected this year’s reporting, so we will therefore continue to monitor the baseline in future years and we will develop a suitable baseline calculation methodology to account for business as usual levels of productivity.

<u>GHG emissions and energy usage data for the year ended:</u>

Energy consumption	**2021**	**2020**
	kWh	**kWh**
Purchased electricity	829,823	651,283
Combustion of gas	259,765	739,161
LPG	-	12,824
Transport fuel - company	11,290,939	14,648,234
Transport fuel - grey fleet	981,821	-
Water	377	-
	13,362,725	16,051,502

Carbon emissions	**2021**	**2020**
	teCO$_{2e}$	**teCO$_{2e}$**
Scope one emissions		
Combustion of gas	48	136
LPG	-	3
Transport fuel	2,674	2,819
Scope two emissions		
Purchased electricity - location based	166	13
Scope three emissions		
Transport fuel	233	705
Gross carbon emissions	3,121	3,676
Additional scope three emissions		
Grid electricity transmission and distribution losses - location based	16	13
Total annual net emissions	3,137	3,689

Strategic report (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

As reported in the prior year, data and information is now available to separate out grey fleet and water energy consumption.

The above table shows the Gross GHG emissions associated with our combined business operations during our second SECR period were 3,121 tonnes of carbon dioxide equivalents (teCO2e). This shows a 15% reduction against the initial reporting year (2020: 3,676 tonnes).

93% (2020: 96%) of this amount was due to transportation attributable to our fleet of HGVs, vans, company cars, pool/hire cars and grey fleet. Of this, 2,674 tonnes (2020: 2,819) were emitted by our in house fleet of vehicles and 233 tonnes (2020: 705) by our grey fleet.

The carbon emissions from our buildings were 250 tonnes.

As indicated in our previous SECR report, our future carbon reduction strategy should be transport focused.

Although this is the second year of SECR a performance indicator is still difficult to quantify. This is due to being in the second year of a global pandemic marred by multiple lockdowns, a constantly shifting landscape with work and intercompany business transactions adversely affected due to nationwide restrictions.

We have chosen to expand the scope of our reporting to exceed the mandatory requirement by including emissions associated with the transmission of electricity to site. Our annual net emissions have been calculated by adding this figure to the gross emissions and in future years we will look to subtract any carbon offsetting or renewable energy generation that we can procure as part of our wider sustainability goals. Under this optional methodology our gross annual emissions are 3,137 $teCO_{2e}$ (2020: 3,689 $teCO_{2e}$).

Intensity ratios

Current government environmental reporting guidance recommends the development of at least three Key Performance Indicators (KPIs) associated with key environmental impacts. We have identified intensity ratios which divide our energy and carbon emissions by appropriate normalising factors to enable performance tracking over time and comparison against organisations operating in equivalent sectors, namely:

Intensity ratio	**2021**	**2020**
Average carbon emissions per £100k revenue - $teCO_{2e}$/£100,000 of revenue	2.10	2.68
Average carbon emissions per full time employee - $teCO_{2e}$/FTE	6	7
Average total energy use per full time employee - kWh/FTE	24,564	29,185

We are also working to establish performance benchmarks for total energy efficiency within our buildings, having analysed the performance of our head office as being 184kWh/m2 with an associated carbon intensity of 0.04 teCO2/m2. If this is indicative of our other building stock it would suggest our offices can be rated as performing at good practice for energy efficiency compared to industry benchmarks for standard air conditioned offices.

Streamlined Energy and Carbon Reporting ("SECR") (continued)

Energy saving measures

We have engaged with Ray Energy Ltd to develop a road map to achieve net zero GHG emissions ahead of the government's 2050 legally binding deadline for achieving net zero.

In the prior year, we complied with phase 2 of the Government's Energy Savings Opportunity Scheme (ESOS), requiring us to verify 100% of our energy usage baseline and identify energy saving opportunities across our estate and business operations. In order to meet this requirement energy audits were carried out at our Head Office, William Whitfield and Firebright premises.

This year we have performed the following recommendations in our ESOS phase 2 report:

- Replaced our head office single glazed windows with double glazing.
- We have removed the boilers and replaced them with a new air conditioning system.
- Changed the main office and outside lighting to LED lighting.
- Fitted speed limiters to all company vans and intensified our driver training programme.

We are currently in the process of implementing the following recommendations given in our ESOS phase 2 report:

- Fitting lighting presence sensors and changing to LED technology in our warehouses.
- Continuing to invest in hybrid and all electric vehicles.
- Setting up a Carbon Offsetting program to offset part or all of our remaining Carbon Footprint.
- Looking at the feasibility of moving all of our sites over to green gas and electric.

The output of planned further workshops in this area will include development of a road map to achieving net zero emissions for our organisation through identification and evaluation of options to achieve carbon reduction pathways across all core areas of our business activities. Emissions reductions would be achieved through optimising energy efficiency and de-carbonising our energy supply whilst considering recovery of energy from waste material and exploiting potential for low carbon de-centralised energy generation and storage. The strategy would also minimise or eliminate any ongoing operational cost to offset residual GHG emissions which cannot be eliminated or decarbonised and will seek to future proof our business for a zero carbon economy through adaptation of machine learning and AI systems to support process optimisation, asset management and energy focused maintenance across our assets.

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Strategic report (continued)

Going concern

The financial results of the Group and the future developments are discussed on pages 5 and 6.

The Group has net liabilities of £241.4 million (2020: £160.9 million), recorded a loss after taxation from continuing activities of £80.6 million (2020: £80.0 million) and recorded a net cash outflow of £6.9 million (2020: £20.5 million net inflow). Funding is provided to the company through external borrowings.

The Group has a £260,000,000 1st lien term loan, a £95,000,000 2nd lien term loan and a £50,000,000 revolving credit facility. The 1st lien term loan is due to be repaid on 15 August 2025, the 2nd lien term loan is due to be repaid on 15 August 2025 and any drawn balance on the revolving credit facility is due to be repaid on 15 August 2024.

On 28 February 2020, the group secured additional loan facilities to its 1st and 2nd lien term loans. A £30,000,000 Facility B2 Senior loan was secured and fully drawn on the same terms as the 1st lien term loan, repayable on 15 August 2025. A £10,000,000 Facility B2 Second Lien was secured and fully drawn on the same basis as the 2nd lien term loan, repayable on 15 August 2025.

On 28 February 2020, the group secured a new Acquisition & Capex Facility ("ACF") of £40,000,000, which can be used to refinance existing bank debt, acquisitions or capital expenditure. The ACF was secured on the same terms as the 1st lien term loan. The ACF is available to draw until 28 August 2022, with any drawn balance repayable on 15 August 2025.

At 31 October 2021, the Group had utilised £50 million (2020: £50 million) of the revolving credit facility and had drawn £15 million (2020: £15 million) of the ACF. The senior facilities term loans are fully drawn down.

The term loan facilities are secured by fixed and floating charges over a number of the Group's subsidiaries. The interest rate payable on the 1st lien term loan & Facility B2 Senior loan represents a 4.00% margin above LIBOR, the interest rate on the 2nd lien term loan & Facility B2 Second Lien loan represents a 7.00% margin above LIBOR (with a PIK Toggle margin premium of 1.00%) and the interest rate payable on the revolving credit facility, whenever it is utilised, represents a 2.75% margin above LIBOR.

The Group has considerable financial resources, together with forecast cash generation from operations, which will enable the business to drive forward and execute strategic plans for future growth. Management has performed stress testing on forecasts, which show the Group has sufficient liquidity, and mitigating measures available, to continue to operate in the event of a significant economic downturn. As a consequence, 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 (note 3).

The Group's controlling party, Cinven Partners, is a UK private equity fund. Accordingly, the Annual Report and Financial Statements have been prepared in accordance with the Walker Guidelines for UK companies in private equity ownership.

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

A Duvall
Director

23 February 2022

JLA Acquisitions Topco Limited

Directors' report

The director's present their report and the audited consolidated financial statements for the year ended 31 October 2021.

Principal activities

These accounts include all of the Company's transactions for the accounting year ended 31 October 2021.

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.

The Group accounts reflect all the transactions of the Company and its subsidiaries (the "Group") for the accounting year ended 31 October 2021.

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.

The principal activity of the company was as an investment holding and financing company.

Directors

The directors who served during the period and subsequently were:

Directors	
R Neeson	(Cinven Partners)
D Tanase	(Cinven Partners)
Lord J Birt	
B Gujral	
A Duvall	(appointed 22 September 2021)

Results and dividends

The consolidated income statement is set out on page 21 and shows the loss for the year.

The directors do not recommend the payment of a dividend.

Employee engagement

The company has established communication channels to ensure employees are appraised of company news and can share their views. The culture promotes open and honest two-way communication and is continually seeking to improve the way it engages with employees throughout their working life at JLA.

Equal opportunities

The Group is committed to equal opportunity for all. It has robust policies setting out its approach in this regard and these are supported by embedded processes to eliminate bias in the selection and management of employees. The HR Director has a responsibility for delivering the Equal Opportunities agenda and for promoting diversity and inclusion across the Group.

JLA Acquisitions Topco Limited

Directors' report (continued)

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 the Companies (Jersey) Law 1991.

Going concern, financial risk management objectives and policies and carbon reporting

The directors set out in the Strategic report:

- the reasoning for the adoption of the going concern basis in preparing the report and financial statements for the Group;
- the financial risk management objectives and policies of the Group; and
- their carbon reporting and energy consumption reporting obligations.

Future developments

Refer to details in the strategic report on page 6.

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.

Ultimate parent company and parent undertaking of a larger group

The largest and smallest group in which the results of the Company were consolidated was that headed by JLA Acquisitions Topco Limited, which is incorporated in Jersey.

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.

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

A Duvall
Director

23 February 2022

Registered office: Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.
Registered in Jersey No. 12639

JLA Acquisitions Topco Limited

Directors’ responsibilities statement

The directors are responsible for preparing the 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 group and company financial statements in accordance international accounting standards in conformity with the requirements of the Companies (Jersey) Law 1991. 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 group and company and of the profit or loss of the group and company for that year.

International Accounting Standard requires that financial statements present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of JLA Acquisitions Topco Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 October 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards and with regards to the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies (Jersey) Law 1991.

We have audited the financial statements of JLA Acquisitions Topco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2021 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company statement of financial position, the consolidated and parent company statements of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation is applicable law and International Financial Reporting Standards for the Group and United Kingdom Accounting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) for the Parent Company, together as (the "Applicable Financial Reporting Standards").

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 Group and the Parent 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 Group's and Parent 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 JLA Acquisitions Topco Limited (continued)

Other Companies (Jersey) Law 1991 reporting

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view 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 Group's and Parent 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 Group's or the Parent 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 Group and Parent Company and the sector in which it operates we considered the risk of acts by the Group 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. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, Applicable Financial Reporting Standards, and the Companies (Jersey) Law 1991; 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 JLA Acquisitions Topco Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (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, in particular in relation to the valuation of goodwill, allowance for expected credit losses of trade receivables, provision for impairment of inventories, deferred income and deferred tax;
- identifying and testing journal entries, in particular review of journal entries posted with specific words, journal entries posted on weekends, manual journals to revenue accounts, journals posted by specific users and journal entries posted to least used accounts;
- 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;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations; 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 Parent Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Gary Harding
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Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, United Kingdom
24 February 2022

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

JLA Acquisitions Topco Limited

Consolidated income statement
Year ended 31 October 2021

	Notes	2021 £'000	2020 £'000
Revenue	5	149,392	137,384
Cost of sales		(67,117)	(63,218)
Gross profit		82,275	74,166
Administrative expenses		(90,874)	(92,332)
Operating loss	6	(8,599)	(18,166)
Finance costs	10	(74,025)	(69,397)
Loss before tax		(82,624)	(87,563)
Tax on loss	11	2,020	7,541
Loss for the year		(80,604)	(80,022)
Loss is attributable to:			
Owners of JLA Acquisitions Topco Limited		(80,604)	(80,035)
Non-controlling interests		-	13
		(80,604)	(80,022)

The accompanying notes are an integral part of this consolidated income statement. Included within the results for the period are acquisitions which contributed £nil (2020: £8,052,000) to revenue, £nil (2020: £4,835,000) to cost of sales, £nil (2020: £2,842,000) to administrative expenses and an operating loss of £nil (2020: £549,000).

Consolidated statement of total comprehensive income
Year ended 31 October 2021

	Notes	2021 £'000	2020 £'000
Loss for the year		(80,604)	(80,022)
Items that may be subsequently reclassified to profit or loss			
Transfer on maturity of foreign exchange forward contracts		-	481
Changes in fair value of diesel swaps	22	50	(40)
Deferred tax charge on origination and reversal of timing differences	11	(10)	75
Total comprehensive expense for the year		(80,564)	(79,506)
Total comprehensive expense for the year is attributable to:			
Owners of JLA Acquisitions Topco Limited		(80,564)	(79,519)
Non-controlling interests		-	13
		(80,564)	(79,506)
Total comprehensive expense for the year attributable to the owners of JLA Acquisitions Topco Limited arises from:			
Continuing operations		(80,564)	(79,506)
		(80,564)	(79,506)

JLA Acquisitions Topco Limited

Consolidated statement of financial position
As at 31 October 2021

	Notes	31 October 2021 £'000	31 October 2020 £'000
Non-current assets			
Goodwill	12	413,586	413,226
Intangible assets	13	158,565	179,361
Property, plant and equipment	14	84,309	81,788
		656,460	674,375
Current assets			
Inventories	17	15,162	11,597
Trade and other receivables	18	33,549	34,969
Cash and bank balances		24,589	31,496
Derivative financial instruments	22	10	-
		73,310	78,062
Total assets		729,770	752,437
Current liabilities			
Trade and other payables	19	(44,865)	(40,705)
Current tax liabilities		(216)	(736)
Lease liabilities	20	(1,691)	(2,461)
Borrowings	21	-	(287)
Derivative financial instruments	22	-	(40)
		(46,772)	(44,229)
Net current assets		26,538	33,833
Non-current liabilities			
Borrowings	21	(906,069)	(846,740)
Lease liabilities	20	(1,982)	(4,249)
Deferred tax liability	23	(16,322)	(18,165)
		(924,373)	(869,154)
Total liabilities		(971,145)	(913,383)
Net liabilities		(241,375)	(160,946)

Consolidated statement of financial position (continued)
As at 31 October 2021

	Notes	31 October 2021 £'000	31 October 2020 £'000
Equity			
Called up share capital - nominal	24	13	13
Share premium	24	978	974
Treasury shares reserve	26	(7)	(81)
Hedging reserve	26	(44)	(84)
Share-based payment reserve	26	74	17
Retained earnings	26	(242,389)	(162,160)
Equity attributable to the owners of the company		(241,375)	(161,321)
Non-controlling interests		-	375
Total deficit		(241,375)	(160,946)

The financial statements of JLA Acquisitions Topco Limited registered number 126391 were approved by the Board of Directors on 23 February 2022.

The accompanying notes are an integral part of this consolidated statement of financial position.

Signed on behalf of the Board of Directors

A Duvall
Director

Company statement of financial position
As at 31 October 2021

	Notes	31 October 2021 £'000	31 October 2020 £'000
Non-current assets			
Investments	15	10,485	10,428
Amounts owed by group undertakings	18	413,012	379,187
		423,497	389,615
Current assets			
Other receivables	18	31	5
Cash and bank balances		116	61
		147	66
Total assets		423,644	389,681
Current liabilities			
Trade and other payables	19	(1,372)	(2,750)
Current tax liabilities		(5)	(5)
		(1,377)	(2,755)
Net current liabilities		(1,230)	(2,689)
Non-current liabilities			
Borrowings	21	(443,142)	(395,790)
Total liabilities		(444,519)	(398,545)
Net liabilities		(20,875)	(8,864)
Equity			
Called up share capital - nominal	24	13	13
Share premium	24	978	974
Share-based payment reserve	26	74	17
Retained earnings	26	(21,940)	(9,868)
Equity attributable to the owners of the company		(20,875)	(8,864)

The company has taken advantage of the exemption contained within Companies (Jersey) Law 1991 not to present its own Income Statement. The loss for the period dealt with in the financial statements of the company was £12,072,000 (2020: £6,960,000).

The financial statements of JLA Acquisitions Topco Limited registered number 126391 were approved by the Board of Directors on 23 February 2022.

Signed on behalf of the Board of Directors

A Duvall, Director

Consolidated statement of changes in equity
As at 31 October 2021

	Notes	Share capital £'000	Share premium £'000	Treasury shares reserve £'000	Hedging reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Non-controlling interests £'000	Total £'000
Balance at 31 October 2019		13	954	-	(600)	-	(82,125)	362	(81,396)
(Loss)/profit for the year	26	-	-	-	-	-	(80,035)	13	(80,022)
Other comprehensive income		-	-	-	516	-	-	-	516
Shares issued	24	-	20	-	-	-	-	-	20
Shares bought by EBT	26	-	-	(81)	-	-	-	-	(81)
IFRS 2 share based payments	25	-	-	-	-	17	-	-	17
Total comprehensive income/(expense) for the year		-	20	(81)	516	17	(80,035)	13	(79,550)
Balance at 31 October 2020		13	974	(81)	(84)	17	(162,160)	375	(160,946)
Loss for the year	26	-	-	-	-	-	(80,604)	-	(80,604)
Other comprehensive income		-	-	-	40	-	-	-	40
Total comprehensive income/(expense) for the year		-	-	-	40	-	(80,604)	-	(80,564)
Change in ownership of non-controlling interest		-	-	-	-	-	375	(375)	-
Shares issued	24	-	4	-	-	-	-	-	4
Shares sold by EBT	24	-	-	133	-	-	-	-	133
Shares bought by EBT	24	-	-	(59)	-	-	-	-	(59)
IFRS 2 share based payments	25	-	-	-	-	57	-	-	57
Balance at 31 October 2021		13	978	(7)	(44)	74	(242,389)	-	(241,375)

The other comprehensive income for the period is comprised of the effective portion of changes in fair value of current cash flow hedges, and the deferred tax on the change in fair value of the cash flow hedges, totalling £nil million (2020: £0.4 million), as detailed in note 22.

JLA Acquisitions Topco Limited

Company statement of changes in equity
As at 31 October 2021

	Notes	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 October 2019		13	954	-	(2,908)	(1,941)
Shares issued	24	-	20	-	-	20
Loss for the year	26	-	-	-	(6,960)	(6,960)
IFRS 2 share based payments	25	-	-	17	-	17
Balance at 31 October 2020		13	974	17	(9,868)	(8,864)
Shares issued	24	-	4	-	-	4
Loss for the year	26	-	-	-	(12,072)	(12,072)
IFRS 2 share based payments	25	-	-	57	-	57
Balance at 31 October 2021		13	978	74	(21,940)	(20,875)

JLA Acquisitions Topco Limited

Consolidated cash flow statement
Year ended 31 October 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash from operating activities	27	33,476	8,401
Interest paid		(14,665)	(21,698)
Taxation paid	28	(578)	(392)
Net cash from/(used in) operating activities		18,233	(13,689)
Cash flows from investing activities			
Investing activities	28	(22,605)	(39,215)
Cash outflow before financing		(4,372)	(52,904)
Cash flows from financing activities			
Financing activities	28	(2,535)	73,411
(Decrease)/increase in cash in the year		(6,907)	20,507
Cash and bank balances brought forward		31,496	10,989
Cash and bank balances carried forward		24,589	31,496

1. General information

JLA Acquisitions Topco Limited (the Company) is a private company limited by shares incorporated in Jersey under the Companies (Jersey) Law 1991. The address of the registered office is given on page 2. The company is domiciled in Jersey but is centrally managed and controlled in the United Kingdom and is therefore considered to be UK tax resident. The principal activities of the company and its subsidiaries (the group) and the nature of the group's operations are set out on page 3 and in the strategic report on pages 3 to 14.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 3.

2. Standards, amendments to published standards and interpretations effective for the year ended 31 October 2021

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 October 2021 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 2021:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (issued September 2019).
- Amendments to IFRS 4: Insurance Contracts (issued June 2020).

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

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

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

JLA Acquisitions Topco 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 financial statements have been prepared on a going concern basis in accordance with International Accounting Standards and Companies (Jersey) Law 1991. These policies have been consistently applied to all the years presented. The preparation of financial statements in conformity with IFRSs generally requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The company financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, fair value measurements, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

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.

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.

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.

Basis of consolidation

The group financial statements consolidate the financial statements of JLA Acquisitions Topco Limited and all of its subsidiary undertakings ('subsidiaries') drawn up to the relevant accounting date each October.

3. Accounting policies (continued)

Basis of consolidation (continued)

Subsidiaries are consolidated from the date of their acquisition, being the date on which the group obtains control, and continue to be consolidated until the date such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the parent company and are based on consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated.

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 October each period. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Employee Benefit Trusts (“EBTs”) are accounted for under IFRS 10 and are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the consolidated statement of financial position and shares held by the EBT in the company are presented as a deduction from equity under a treasury shares reserve.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

Whilst the group has net liabilities, the group's forecasts and projections, taking account of reasonably possible changes in trading performance and the long term nature of the group facilities, show that the group should be able to operate within the level of its current facilities, as per the Strategic report. A significant portion of the group's net debt is repayable after four years and the group is able to meet its short term debt requirements out of operating cash flows.

The group has considerable financial resources, together with significant forecast cash generation from operations. Management has performed stress testing on forecasts, which show the group has sufficient liquidity, and mitigating measures available, to continue to operate in the event of a significant economic downturn. As a consequence, 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, taking into account reasonably possible changes in trading.

Please see the going concern section of the strategic report on page 14 for further details on the considerations made with regards to the going concern basis of accounting adopted.

Business combinations

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. Accounting policies (continued)

Business combinations (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the group in a business combination includes asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in profit or loss.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

JLA Acquisitions Topco Limited

Notes to the financial statements
Year ended 31 October 2021

3. Accounting policies (continued)

Goodwill (continued)

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments

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

Intangible fixed assets and amortisation

Intangible assets acquired are measured on initial recognition at cost. Intangible assets acquired in a business combination are measured at their fair value at the date of acquisition and, following initial recognition are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding internally developed software, are not capitalised and the related expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Estimated useful lives and amortisation rates are as follows:

Goodwill	-	indefinite life
Contracts	-	11 years straight-line
Customer relationships	-	8 years straight-line
Software	-	5 years straight-line
Technology	-	7 years straight-line
Brand name	-	15 years straight-line

Intangible assets with finite lives are amortised over their useful economic life on a basis appropriate to the consumption of the asset and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement within administrative expenses.

Customer relationships acquired as part of acquisition businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the group.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is de-recognised.

3. Accounting policies (continued)

Impairment of assets

The group 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 group 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. 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 consolidated 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:

Freehold property	-	50 years straight-line
Leasehold improvements	-	5 years straight-line
Plant and machinery	-	8 - 12 years straight-line
Motor vehicles	-	4 years straight-line
Fixtures and fittings	-	3-8 years straight-line
Right-of-use assets	-	over life of the lease

Inventories

Inventory is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost is calculated using the weighted average method and 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 group.

3. Accounting policies (continued)

Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. The group does not hedge account its interest rate cap products. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are recognised initially at fair value and re-measured at each period end. The gain or loss on re-measurement to fair value is recognised immediately in the consolidated income statement.

Forward foreign currency and interest rate hedging contracts are recognised at fair value in the consolidated statement of financial position with movements in fair value recognised in the consolidated income statement for the period.

The fair value of forward foreign currency contracts is the gain or loss that would result if the agreements were terminated at the reporting date, taking into account current foreign currency rates.

Derivatives are presented as assets when the fair values are positive and as liabilities when the fair values are negative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are de- recognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

The group'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 group's loans and receivables comprise 'Trade and other receivables' and 'Cash and cash equivalents' in the consolidated 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 group'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 group's other financial liabilities comprise 'Interest-bearing loans and borrowings' and 'Trade and other payables' and 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.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

3. Accounting policies (continued)

Hedge accounting

The group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 22 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are shown in the consolidated statement of financial position.

Cashflow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement.

When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Fair value hedges

Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk.

Fair value hierarchy

At 31 October 2021, the group held effective hedge accounted swap contracts on the consolidated statement of financial position.

3. Accounting policies (continued)

Fair value hierarchy (continued)

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with an original maturity of three months or less. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows, as these are used as an integral part of the group's cash management.

Trade and other payables

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

Financial expenses and capitalisation of issue costs of finance

Financial expenses comprise interest payable on interest-bearing loans and borrowings. Financial expenses are recognised in the consolidated income statement on an effective interest method.

Issue costs of finance are netted against the loan finance to which they relate. These costs are allocated to the consolidated income statement over the term of the loan finance facility at the constant rate on the carrying value.

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 period, stated net of value added tax.

3. Accounting policies (continued)

Revenue recognition (continued)

Distribution and service

COMS ("Customer Owned Machines") contracted revenue relates to the provision of breakdown cover on equipment owned by a third party. This is a subscription revenue model that has a fixed fee. Revenue is recognised over the term of the contract.

COMS Reactive and Compliance are non-contractual revenue streams. The delivery of the service is an individual discrete event at a point in time. Revenue is recognised at the completion of the event for instance repair of the machine or completion of the engineer callout event.

Product, machines, parts and consumables revenue arises from delivery of the service and is an individual discrete event at a point in time. Revenue is recognised at the completion of the event for instance delivery of the machine, part or consumable.

Contracted installations revenue is recognised as work is performed. Applications for payment are raised periodically and sent to the customer, charging for the work completed on a longer term contract. Applications for payment are raised in line with the agreed contracts and reflect work performed out on site. Revenue is recognised in line with the applications raised.

Machine rental

On-Premise Total Care is subscription revenue, on an operating lease arrangement, with a service element incorporated in a single, typically monthly, recurring payment. The Group have concluded the provision of specialist market leading commercial equipment, regular servicing and fully inclusive breakdown cover over the contracted lease term represents a single identifiable performance obligation. Revenue is recognised over the term of the lease.

Managed income

Vend Share Total Care is based on long term usage contracts. Revenue is determined by cash takings based on usage at sites and electronic top-up cards and app based technology, where usage is determined by cycle counts. Revenue is recognised based on usage.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

3. Accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, is that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest rate method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Taxation

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

The company is registered in Jersey but is not subject to Jersey income tax and withholding tax, as it is resident in the United Kingdom due to its business being centrally managed and controlled there.

Current tax

The tax currently payable is based on taxable profit for the period. 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 periods and it further excludes items that are never taxable or deductible. The group'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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

3. Accounting policies (continued)

Taxation (continued)

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 Group 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 Group 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.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Government grants

Government grants are recognised at the fair value of the asset received or receivable where there is reasonable assurance that the grant conditions will be met, and the grants will be received. A grant specifying performance conditions, are recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability. During the year, the company received grants in the form of the Coronavirus Job Retention Scheme for the furloughing of employees of £0.6m (2020: £3.9m).

Pensions

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

Share based payment transactions

The group operates an equity-settled share-based compensation plan through an employee benefit trust.

The fair value of the employee services received under such schemes is recognised as an expense in the income statement. Fair values are determined by use of an appropriate pricing model, in this case the Binomial model, and incorporate an assessment of relevant market conditions where appropriate.

The amount to be expensed over the vesting period is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions (where applicable) at the vesting date.

At each statement of financial position date, the group revises its estimates of the number of share incentives that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity.

Acquisition costs

Acquisition costs and other deal related costs are expensed as incurred to the income statement.

3. Accounting policies (continued)

Foreign currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pound sterling, which is the functional currency of the company, and the presentation currency for the consolidated financial statements. 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. Exchange differences arising from the retranslation of monetary items forming part of the net investment in a foreign operation are recognised in the consolidated statement of total recognised gains and losses. All other exchange differences are included in the consolidated income statement.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group'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

The following are the 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 and that have the most significant effect on the amounts recognised in financial statements.

Impairment of goodwill

The group is required to perform a review of the carrying value of goodwill annually to ensure that it is less than the recoverable amount. This assessment is based on an expectation of fair value less costs of disposal and depends on assumptions regarding future performance and valuations achievable on a sale of the business. Details of the review of the carrying value of goodwill are referred to in note 12.

Valuation of other intangible assets

On a business combination the directors are required to recognise and measure at fair value the identifiable assets and liabilities of the acquired business. This requires judgement in identifying intangible assets that meet the recognition criteria in IAS 38 and in attributing fair values.

Depreciation and amortisation

Judgement is required in assessing the useful economic lives of property, plant and equipment and intangible fixed assets. This assessment is based on analysis performed on historic group data, manufacturer's guidance and the directors' best estimate of the life of the asset and of its residual value at the end of its useful economic life.

Allowance for expected credit losses of trade receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. Assumptions are used to derive an overall lifetime expected credit loss rate for specific groupings of trade receivables which have been based on days overdue. These assumptions include historical collection rates and external macro-economic factors. See note 18 for the carrying amount of trade receivables and allowance for expected credit losses.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Leases

The transition to IFRS 16: Leases has involved the company exercising a degree of estimation and judgement.

In determining the lease term, the group assesses whether or not it is reasonably certain to exercise, or not to exercise, options to extend or terminate a lease. The assessment is made at the start of the lease and is re-assessed if significant events or changes in circumstances occur that are within the lessee's control.

When the interest rate implicit in the lease is not readily determinable, the group estimates the incremental borrowing rate based on the current rate incurred on its external borrowings.

For the carrying amount of right-of-use assets, see note 14 and for the carrying amount of the related current and non-current lease liabilities, see note 20.

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.

Allowances against the carrying value of inventory

Provision is made against the carrying value of inventory lines, based on their expected rate of sale, to ensure that they are stated at the lower of cost and net realisable value. Judgement is required to assess future demand and promotional activity. Details of the allowances against the carrying value of inventory are referred to in note 17.

Deferred income

Deferred income is recognised in respect of cash loaded on top up cards and mobile phone apps for use on machines at higher education institutions. The deferred income balance is then adjusted based on usage and further cash loaded. Judgement is required when assessing the likelihood of any deferred income balances not being utilised. This assessment is made consistently during the year based on historical trends and ongoing monitoring.

Deferred taxation

The group recognises deferred tax assets and liabilities based on the directors' expectation of future taxable income and the related recoverability of the balance. This assessment requires judgement regarding future income streams and movements in corporation tax rates. Details of the deferred tax assets and liabilities are referred to in note 23.

5. Revenue

An analysis of revenue by class of business and geographical segment is as follows:

	2021 £'000	2020 £'000
Distribution and service - United Kingdom	70,592	61,257
Distribution and service - Overseas	156	517
Machine rental - United Kingdom	50,823	48,689
Machine rental - Overseas	690	620
Managed income - United Kingdom	26,335	25,760
Managed income - Overseas	796	541
	149,392	137,384

6. Loss before taxation

	2021 £'000	2020 £'000
Loss before taxation is stated after charging:		
Net foreign exchange (gain)/loss	(443)	460
Amortisation - intangible assets (note 13)	20,852	19,552
Cost of inventories recognised as an expense (note 17)	26,513	26,940
Depreciation of property, plant and equipment:		
- owned by the group (note 14)	13,139	12,475
- held as right-of-use assets (note 14)	2,630	2,281
Loss on sale of property, plant and equipment	2,009	1,311
Non-recurring operating costs:		
- terminations	3,282	2,393
- M&A	1,140	1,802
- fair value movement in deferred and contingent consideration	1,716	(2,993)
- legal and other costs	1,574	2,290
- strategic projects	4,249	9,936
- COVID-19 costs	2,762	4,969

Non-recurring operating costs incurred during the year comprise:

- Terminations costs relate to redundancies occurring within the business, including any settlement payments, the costs of serving any notice periods, gardening leave and any related legal costs.
- M&A costs arise from acquisition of new entities into the group, including legal & professional fees, costs pertaining to aborted transactions.
- Legal and other costs relate to restructuring costs associated with organisational changes and integration activities within the business, shareholder costs incurred in respect of shareholder management and administrative fees.
- Strategic projects result in a change to the business model and proposition or lead to a restructuring of the organisation impacting people, processes and systems. These projects are one-off significant investments into the business, which are not expected to recur due to their size and/or nature.
- COVID-19 costs are specific costs borne by the business owing to the unprecedented impact to the UK economy caused by the pandemic. They are disclosed separately in order to enable a full understanding of the group's results.

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7. Auditor's remuneration	**2021 £'000**	**2020 £'000**
Fees payable to the company's auditor for the audit of the company's financial statements	12	12
Fees payable to the company's auditor for other services to the group		
The audit of the group and UK subsidiary financial statements	218	168
Total audit fees	230	180
Financial due diligence on acquisitions during the year	33	65
Total audit and non-audit services fees	263	245

8. Staff costs

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

	2021 £'000	**2020 £'000**
Wages and salaries	43,458	43,495
Social security costs	4,752	5,006
Other pension costs	1,260	1,544
	49,470	50,045

The average monthly number of employees, including the directors, during the period was as follows:

	2021 No.	**2020 No.**
Administration and management	142	268
Selling and production	982	856
Research and development	2	2
	1,126	1,126

9. Directors' remuneration

	2021 £'000	2020 £'000
Emoluments	1,018	1,324
Compensation for loss of office	-	309
	1,018	1,633

During the period there were no retirement benefits accruing to any of the directors (2020: £nil). The highest paid director received remuneration of £526,000 (2020: £985,000).

Key management personnel comprise four executive directors of the company and the group's subsidiary companies.

10. Finance costs

	2021 £'000	2020 £'000
Bank loans and overdrafts	23,520	24,202
Preference share debt	47,353	42,284
Interest on lease liabilities	410	320
Amortisation of financing costs	2,742	2,591
	74,025	69,397

11. Taxation

Analysis of tax credit in the year	2021 £'000	2020 £'000
Current tax		
UK corporation tax charge on loss for the year of 19%	-	-
Overseas tax	24	13
Adjustments in respect of prior periods	(211)	(56)
Total current tax credit	(187)	(43)
Deferred tax (see note 23)		
Origination and reversal of temporary differences	(7,550)	(8,733)
Effect of change in tax rate	5,709	2,338
Adjustments in respect of prior periods	8	(1,103)
Total deferred tax credit	(1,833)	(7,498)
Total tax credit on loss	(2,020)	(7,541)
Tax on loss is attributable to:		
Loss from continuing operations	(2,020)	(7,541)
	(2,020)	(7,541)

Tax credit included in other comprehensive income

	2021 £'000	2020 £'000
Deferred tax		
Origination and reversal of temporary differences	10	(75)

11. Taxation (continued)

Factors affecting tax credit for the year

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

	2021 **£'000**	**2020** **£'000**
Loss from continuing operations before tax	(82,624)	(87,563)
	(82,624)	(87,563)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(15,699)	(16,637)
Effects of:		
Expenses not deductible for tax purposes	9,469	7,868
Fixed asset differences	1	49
Rate change	4,266	2,338
Adjustments in respect of prior periods	(57)	(1,159)
Tax credit for the year	(2,020)	(7,541)

Factors that may affect future tax charges

In the March 2021 Budget, it was announced that the standard rate of corporation tax would remain at 19%, increasing to 25% from 1 April 2023. There is no expiry date on the timing differences, unused tax losses or tax credits.

The company is registered in Jersey but is not subject to Jersey income tax and withholding tax, as it is resident in the United Kingdom due to its business being centrally managed and controlled there.

12. Goodwill

Group	**Goodwill £'000**
Cost	
At 1 November 2019	405,894
Additions arising from the acquisition of subsidiary undertakings	6,943
Adjustments arising from the retrospective re-assessment of previous acquisitions within the 12-month measurement period defined in IFRS 3	389
At 31 October 2020	413,226
Adjustments arising from the retrospective re-assessment of previous acquisitions within the 12-month measurement period defined in IFRS 3 (note 16)	360
At 31 October 2021	413,586
Carrying amount	
At 31 October 2021	413,586
At 31 October 2020	413,226
At 31 October 2019	405,894

The company held no goodwill at the reporting date.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) or Group of units that are expected to benefit from that business combination. The CGUs for the business are the Laundry, Catering, Heating and Fire Safety divisions.

The Group is obliged to test goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired due to the goodwill deemed to have an indefinite life.

In order to perform this test, management are required to compare the carrying value of the relevant CGU including the goodwill with the recoverable amount. The recoverable amounts of the CGU are determined from a value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows based on an average long-term growth rate of 3.0%, which is underpinned by long term contracts. The pre-tax rate used to discount the forecast cash flows is 11.0% for Laundry, 12.0% for Catering and 13.0% for the Heating and Fire Safety divisions.

The Group has also conducted a sensitivity analysis on the impairment test of the CGU carrying value including reducing cash inflows and changing discount rates.

As a result, when considering the carrying value of goodwill, the directors have considered the base case five-year plan and the sensitivities in drawing their conclusions.

The sensitivity case utilised by the business of decreasing sales and gross margin by 5% demonstrates a goodwill headroom of £147 million in total. The Laundry CGU is sensitive to assumptions used to test for impairment of the carrying value. For an impairment to occur, an increase in the discount rate of 3% would be needed. Should trading exhibit the trends reasonably expected in the downside case the directors consider that they have sufficient mitigating actions available to them in terms of cost and margin management to prevent a material impairment being reported.

13. Intangible assets

Group	Contracts £'000	Customer relationships £'000	Technology £'000	Brand name £'000	Software £'000	Total £'000
Cost						
At 1 November 2019	125,801	20,789	718	50,497	6,637	204,442
Additions arising from acquisition	-	14,123	-	-	-	14,123
IFRS 3 adjustments	-	195	-	-	-	195
Additions	-	-	-	-	997	997
At 31 October 2020	125,801	35,107	718	50,497	7,634	219,757
Additions	-	-	-	-	56	56
At 31 October 2021	125,801	35,107	718	50,497	7,690	219,813
Amortisation						
At 1 November 2019	13,819	2,091	145	4,068	721	20,844
Charge for the year	11,437	3,363	120	3,366	1,266	19,552
At 31 October 2020	25,256	5,454	265	7,434	1,987	40,396
Charge for the year	11,436	4,389	120	3,366	1,541	20,852
At 31 October 2021	36,692	9,843	385	10,800	3,528	61,248
Carrying amount						
At 31 October 2021	89,109	25,264	333	39,697	4,162	158,565
At 31 October 2020	100,545	29,653	453	43,063	5,647	179,361
At 31 October 2019	111,982	18,698	573	46,429	5,916	183,598

The adjustment to customer relationships in the previous year arose from the retrospective re-assessment of previous acquisitions within the 12-month measurement period defined in IFRS 3.

The company held no intangible assets at the reporting date.

Separately identifiable intangible assets were valued and their appropriate useful lives established at the time of acquisition. The carrying value of these assets and their remaining useful life is reviewed annually for indicators of impairment.

Amortisation is charged to administrative expenses in the consolidated income statement.

14. Property, plant and equipment

Group	Freehold buildings £'000	Leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures & fittings £'000	Right-of-use assets £'000	Total £'000
Cost							
At 31 October 2019 – as previously reported	2,084	17	68,580	2,979	3,312	-	76,972
Cost of right-of-use assets on transition to IFRS 16	-	-	-	-	-	3,032	3,032
Transfer of hire purchase lease assets into right-of-use assets on transition to IFRS 16	-	-	-	(3,414)	-	3,414	-
Other adjustments	42	-	-	869	(578)	-	333
At 1 November 2019	2,126	17	68,580	434	2,734	6,446	80,337
Additions arising from acquisition	-	59	154	20	186	226	645
Additions	5	24	18,358	3	1,407	2,880	22,677
Disposals	-	-	(3,549)	(35)	-	(198)	(3,782)
At 31 October 2020	2,131	100	83,543	422	4,327	9,354	99,877
Additions	38	104	20,132	223	1,063	1,769	23,329
Disposals	(28)	(24)	(6,396)	(412)	-	(4,524)	(11,384)
At 31 October 2021	2,141	180	97,279	233	5,390	6,599	111,822

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14. Property, plant and equipment (continued)

Group	Freehold buildings £'000	Leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures & fittings £'000	Right-of-use assets £'000	Total £'000
Depreciation							
At 31 October 2019 – as previously reported	46	2	3,798	676	759	-	5,281
Transfer of hire purchase lease assets into right-of-use assets on transition to IFRS 16	-	-	-	(861)	-	861	-
Other adjustments	-	-	-	351	-	-	351
At 1 November 2019	46	2	3,798	166	759	861	5,632
Charge for the year	37	15	11,340	106	977	2,281	14,756
Disposals	-	-	(2,139)	(35)	-	(125)	(2,299)
At 31 October 2020	83	17	12,999	237	1,736	3,017	18,089
Charge for the year	37	15	11,941	140	1,006	2,630	15,769
Disposals	-	-	(3,880)	(283)	-	(2,182)	(6,345)
At 31 October 2021	120	32	21,060	94	2,742	3,465	27,513
Net book value							
At 31 October 2021	2,021	148	76,219	139	2,648	3,134	84,309
At 31 October 2020	2,048	83	70,544	185	2,591	6,337	81,788
At 31 October 2019	2,038	15	64,782	2,303	2,553	-	71,691

14. Property, plant and equipment (continued)

Following the transition to IFRS 16, the carrying amounts of property, plant and equipment include right-of-use assets at 31 October 2021 as detailed below:

Group	**2021 £'000**	**2020 £'000**
The types of assets the cost of right-of-use assets relates to:		
Leasehold property	2,757	3,108
Motor vehicles	3,839	6,243
Office equipment	3	3
At 31 October	6,599	9,354
The types of assets the depreciation of right-of-use assets relates to:		
Leasehold property	1,292	492
Motor vehicles	2,171	2,525
Office equipment	2	-
At 31 October	3,465	3,017
The types of assets the carrying amount of right-of-use assets relates to:		
Leasehold property	1,465	2,616
Motor vehicles	1,668	3,718
Office equipment	1	3
At 31 October	3,134	6,337

The company has no property, plant and equipment.

15. Investments

Company	**Shares in subsidiary undertakings £'000**
Cost and net book value	
At 1 November 2019	10,428
At 31 October 2020	10,428
Increase in investment resulting from equity-settled share based payment	57
At 31 October 2021	10,485

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16. Subsidiaries

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	Ownership	Country	Registered office	Nature of business
JLA Acquisitions Jersey Holdco Limited		Jersey	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	Intermediate holding company
Indirectly held				
JLA Holdco Limited				Intermediate holding company
JLA Midco Limited				Intermediate holding company
JLA Bidco Limited				Intermediate holding company
JLA New Equityco Limited		Jersey	6th Floor, 37 Esplanade, St Helier, JE2 3QA	Intermediate holding company
JLA New Debtco Limited		Jersey	6th Floor, 37 Esplanade, St Helier, JE2 3QA	Intermediate holding company
JLA New Holdco Limited		Jersey	6th Floor, 37 Esplanade, St Helier, JE2 3QA	Intermediate holding company
JLA Equityco Limited				Intermediate holding company
JLA Debtco Limited				Intermediate holding company
JLA Clean Limited				Intermediate holding company
Inhoco 3498 Limited				Intermediate holding company
Broomco (3360) Limited				Intermediate holding company – Dissolved 10 March 2020
Vanilla Group Limited				Intermediate holding company
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
Proton (Southern) Limited				Catering equipment supplier
Fire Facilities Management Limited				Installation and service of fire safety equipment
Ellesmere Group Limited				Installation and service of heating equipment
Newcombustion Engineering Limited				Installation and service of fire safety equipment
Trinity Heat Care Limited				Installation and service of heating equipment
JLA HVAC Limited (formerly T Jolly Services (UK) Limited)				Installation and service of heating equipment
T Jolly Facility Services Limited				Installation and service of heating equipment
Atlas Services Holding Limited				Intermediate holding company

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16. Subsidiaries (continued)

Indirectly held (continued)	Ownership	Country	Registered office	Nature of business
Atlas Sterile Services Limited				Testing of clean rooms and sterile containment facilities
Astral Fire and Security Limited				Installation and service of fire safety equipment
Astral Total Limited				Installation and service of fire safety equipment
Crystal Surface Limited				Specialised cleaning of commercial kitchens and ducts
JLA Fire & Security Limited (formerly ITS Fire & Security Limited)				Installation and service of fire safety equipment
MacDonald Martin Limited				Installation and service of fire safety equipment
FSW Holdings Limited				Intermediate holding company
Firewatch South West Limited				Installation and service of fire safety equipment
Comcat Engineering Limited		Scotland	6 Belgrave Street, Bellshill Industrial Estate, Bellshill, ML4 3NP	Dormant
Ripponden 10 Limited				Dormant
Ripponden 11 Limited				Intermediate holding company
Ripponden 12 Limited				Intermediate holding company
Westwells (North West) Limited				Dormant
Newco Catering Equipment Limited				Dormant
DCSW Limited				Intermediate holding company
Direct Catering Products Limited			Unit 25, Lodge Hill Industrial Park, Station Road, Wells, BA5 1EY	Catering equipment supplier
Acer Equipment Limited				Dormant
Martin & Richards Limited				Dormant
Fire Bright Solutions Limited				Installation and service of fire safety equipment and systems
William Whitfield Limited		Scotland	6 Belgrave Street, Bellshill Industrial Estate, Bellshill, ML4 3NP	Installation and service of heating equipment
The Stanland Group Limited				Dormant
Washrite Limited				Dormant
Circuit Rentals Limited				Dormant
Wilson Electrics Limited				Dormant

16. Subsidiaries (continued)

As part of concluding the work on the completion balance sheets of the businesses acquired in the prior year, an adjustment of £360,000 (2020: £389,000) was made to the fair value of assets and liabilities (note 12).

In the prior year, adjustments were made to the provisional fair value of the net assets acquired totalling £1,047,000.

The fair value adjustments represented provision against balances now considered irrecoverable or understated liabilities at the point of acquisition.

Group	**31 October 2020 £'000**
Inventories	100
Trade receivables	626
Current tax liabilities	35
Accruals	171
Social security and other taxes	115
	1,047

17. Inventories

Group	**31 October 2021 £'000**	**31 October 2020 £'000**
Finished goods and goods for resale	15,059	11,498
Work in progress	103	99
	15,162	11,597

The company held no inventory at the reporting date.

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

Inventories are stated after provisions for impairment of £1,000,082 (2020: £1,437,665). No unutilised provision was reversed during the period.

The cost of inventories recognised as an expense during the year in respect of continuing operations was £26,513,000 (2020: £26,940,000).

18. Trade and other receivables

Group	31 October 2021 £'000	31 October 2020 £'000
Trade receivables	26,094	28,255
Allowance for expected credit losses	(2,599)	(3,308)
	23,495	24,947
Other receivables	5,702	5,017
Prepayments	4,352	5,005
	33,549	34,969

Company	31 October 2021 £'000	31 October 2020 £'000
Current		
Other receivables	31	5
	31	5
Non-current		
Amounts owed by group undertakings – non current	413,012	379,187
	413,012	379,187

Interest is charged at 12% on the intercompany loan lent to JLA Acquisitions Jersey Holdco Limited. The principal loan amount is £298,134,000. No interest is charged on the other amounts owed to group undertakings.

18. Trade and other receivables (continued)

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The average credit period taken on sales of goods is 51 days (2020: 64 days). Allowances are recognised against trade receivables on a specific basis based on irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on a regular basis. Concentrations of credit risk with respect to trade receivables are limited due to the group's customer base being wide and unrelated.

Trade receivables disclosed include amounts which are past due at the reporting date but against which the group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of receivables (net of allowance for doubtful debts)

	31 October 2021 £'000	31 October 2020 £'000
Not past due	12,510	12,821
0-30 days	3,672	3,795
31-60 days	1,755	2,119
61-90 days	918	1,187
91 days and above	4,640	5,025
	23,495	24,947

Ageing of impaired receivables

	31 October 2021 £'000	31 October 2020 £'000
Not past due	468	449
0-90 days	351	352
91+ days	1,780	2,507
	2,599	3,308

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

The other classes within trade and other receivables do not contain impaired assets.

19. Trade and other payables

Group	31 October 2021 £'000	31 October 2020 £'000
Current liabilities		
Trade payables	20,352	16,835
Social security and other taxes	8,075	8,397
Accruals	10,925	11,548
Deferred income	4,525	3,544
Other creditors	988	381
	44,865	40,705

Social security and other taxes includes contributions payable of £293,000 (2020: £225,000) arising from the group's defined contribution pension scheme.

The directors consider that the carrying amount of trade payables approximates to their fair value.

Company	31 October 2021 £'000	31 October 2020 £'000
Current liabilities		
Accruals	11	-
Amounts owed to group undertakings	1,361	2,750
	1,372	2,750

The amounts owed to group undertakings are interest free and repayable on demand.

20. Lease liabilities

The group leases properties used for its operations in the UK. Lease terms are 1 to 12 years.

The group leases motor vehicles for use by engineers, as well as some vehicles for use by sales staff and management. Lease terms are 1 to 4 years.

Lease expenses of £82,000 (2020: £15,000) are included within administrative expenses in relation to short-term leases.

Maturity analysis of lease liabilities

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

Group	Property leases 31 October 2021 £'000	Motor vehicle leases 31 October 2021 £'000	Office equipment leases 31 October 2021 £'000	Total leases 31 October 2021 £'000
Within one year	413	1,278	-	1,691
Within one to five years	941	1,010	-	1,951
Over five years	31	-	-	31
	1,385	2,288	-	3,673

20. Lease liabilities (continued)

Group	Property leases 31 October 2020 £'000	Motor vehicle leases 31 October 2020 £'000	Office equipment leases 31 October 2020 £'000	Total leases 31 October 2020 £'000
Within one year	805	1,654	2	2,461
Within one to five years	1,557	2,438	-	3,995
Over five years	254	-	-	254
	2,616	4,092	2	6,710

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

Group	Property leases 31 October 2021 £'000	Motor vehicle leases 31 October 2021 £'000	Office equipment leases 31 October 2021 £'000	Total leases 31 October 2021 £'000
Within one year	470	1,366	-	1,836
Within one to five years	1,228	1,045	-	2,273
Over five years	48	-	-	48
	1,746	2,411	-	4,157

Group	Property leases 31 October 2020 £'000	Motor vehicle leases 31 October 2020 £'000	Office equipment leases 31 October 2020 £'000	Total leases 31 October 2020 £'000
Within one year	932	1,826	2	2,760
Within one to five years	1,784	2,617	-	4,401
Over five years	264	-	-	264
	2,980	4,443	2	7,425

The weighted average incremental borrowing rate applied to lease liabilities is 5.410% (2020: 5.831%) which is based on the weighted average external borrowing rate of the group.

21. Borrowings

Group	31 October 2021 £'000	31 October 2020 £'000
Bank loans	462,927	450,950
Redeemable preference shares	443,142	395,790
Loan note	-	287
	906,069	847,027

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21. Borrowings (continued)

Company	**31 October 2021 £'000**	**31 October 2020 £'000**
Redeemable preference shares	443,142	395,790

Included within the above are amounts falling due as follows:

	31 October 2021 £'000	**31 October 2020 £'000**
Less than one year		
Loan note	-	287
	£'000	**£'000**
Between two and five years		
Bank loans	462,927	341,079
	£'000	**£'000**
Over five years		
Bank loans	-	109,871
Redeemable preference shares	443,142	395,790
	443,142	505,661

The facilities comprise a £260,000,000 1st lien term loan repayable on 15 August 2025, a £95,000,000 2nd lien term loan repayable on 15 August 2025 and a £50,000,000 revolving credit facility repayable on 15 August 2024.

On 28 February 2020, the group secured additional loan facilities to its 1st and 2nd lien term loans. A £30,000,000 Facility B2 Senior loan was secured and fully drawn on the same terms as the 1st lien term loan, repayable on 15 August 2025. A £10,000,000 Facility B2 Second Lien was secured and fully drawn on the same basis as the 2nd lien term loan, repayable on 15 August 2025.

On 28 February 2020, the group secured a new Acquisition & Capex Facility ("ACF") of £40,000,000, which can be used to refinance existing bank debt, acquisitions or capital expenditure. The ACF was secured on the same terms as the 1st lien term loan. The ACF is available to draw until 28 August 2022, with any drawn balance repayable on 15 August 2025.

At 31 October 2021, the group had utilised £50,000,000 (31 October 2020: £50,000,000) of the revolving credit facility. The senior facilities term loans were drawn down in full. At 31 October 2021, the group had drawn down £15,000,000 (31 October 2020: £15,000,000) of the ACF.

The term loan facilities are secured by fixed and floating charges over a number of the group's subsidiaries. The interest rate payable on the 1st lien term loan & Facility B2 Senior loan represents a 4.00% margin above LIBOR, the PIK interest rate on the 2nd lien term loan & Facility B2 Second Lien loan represents a 7.00% margin above LIBOR (with a PIK Toggle margin premium of 1.00%) and the interest rate payable on the revolving credit facility, whenever it is utilised, represents a 2.75% margin above LIBOR.

The Group is subject to interest rate benchmark reform regulation as LIBOR has been replaced by alternative benchmark interest rates from 31 December 2021. From 1 December 2021, the Group has replaced LIBOR with an alternative risk-free-rate, Sterling Overnight Index Average (SONIA).

21. Borrowings (continued)

At 31 October 2021, included within bank loans is an amount of £10,587,000 (2020: £13,329,000) in respect of unamortised loan costs. The loan costs are being written off over the period of the debt to which they relate to. The loan notes were repaid in August 2021 and carried a fixed interest rate of 3% until repayment.

On 15 August 2018, 307,640,473 cumulative redeemable preference shares were issued as fully paid with a par value of £0.00001 per share and a share premium of £0.99999. The redeemable preference shares are mandatorily redeemable at par on the earlier of the completion of a sale of the group or the day immediately before a listing and incur a fixed coupon of 12% compounding annually. Redeemable preference shares do not carry the right to vote.

22. Derivative financial instruments

Group	**31 October 2021 £'000**	**31 October 2020 £'000**
Derivatives that are designated and effective as hedging instruments carried at fair value		
Foreign currency forward contracts	(2)	-
Diesel swap contract	(8)	40

The company held no derivative financial instruments at the reporting date.

The group has entered into the following master netting agreements with the following counterparties:

Group	**31 October 2021 £'000**	**31 October 2020 £'000**
Lloyds Bank Plc		
Derivative (assets)/liabilities		
Diesel swap contract	(8)	40
Foreign currency forward contracts	(2)	-
	(10)	40

Cash flow hedges

Trading derivatives are classified as either current assets or current liabilities. The full fair value of hedging derivatives is classified as non-current assets or liabilities if the remaining maturity of the hedged item is more than 12 months and, as current assets or liabilities, if the maturity of the hedged item is less than 12 months.

Forward foreign currency contracts

During the year, the group purchased goods in US dollars and Euros and took out forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges.

The group will assess the forecast purchases in USD and EUR with the current USD and EUR cash balances before entering into new forward contracts.

22. Derivative financial instruments (continued)

Diesel swap contracts

In July 2020, the group entered into a swap agreement based on underlying diesel prices to hedge the financial risk of volatile prices arising from the anticipated purchase of fuel in the future as part of the regular business activities. This was designated as a cash flow hedge. The specified period of the contract is the 16 months from July 2020 to October 2021 covering a notional quantity of 800,000 litres of diesel fuel.

The hedging reserve in equity will be recognised as a profit or loss in the period that the hedged item affects the consolidated income statement.

23. Deferred taxation

Group	31 October 2021 £'000	31 October 2020 £'000
Non-current deferred tax asset	20,580	14,888
Non-current deferred tax liability	(36,902)	(33,053)
	(16,322)	(18,165)

	£'000
At 1 November 2019	(22,750)
On acquisition of subsidiaries	(2,751)
Adjustments arising from retrospective re-assessment	(38)
Impact of tax rate change on acquisition of subsidiaries	(198)
Current period – income statement	7,497
Current period – other comprehensive income	75
At 31 October 2020	(18,165)
Current period – income statement	1,833
Current period – other comprehensive income	10
At 31 October 2021	(16,322)

The company did not have a deferred tax asset or liability at the reporting date.

23. Deferred taxation (continued)

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

	Tangible fixed assets £'000	Intangible fixed assets £'000	Derivative financial assets and liabilities £'000	Losses £'000	Other temporary differences £'000	Total £'000
As at 1 November 2019	1,693	(30,351)	(82)	5,575	415	(22,750)
On acquisition of subsidiaries	-	(2,751)	-	-	-	(2,751)
Adjustments arising from retrospective re-assessment	-	(38)	-	-	-	(38)
Impact of tax rate change on acquisition of subsidiaries	-	(198)	-	-	-	(198)
Rate change	416	(3,355)	-	549	52	(2,338)
Current period – income statement	571	3,647	-	5,664	(47)	9,835
Current period – other comprehensive income	-	-	75	-	-	75
As at 31 October 2020	2,680	(33,046)	(7)	11,788	420	(18,165)
Rate change	1,619	(7,566)	-	1,670	11	(4,266)
Current period – income statement	6,403	3,709	-	(3,730)	(283)	6,099
Current period – other comprehensive income	-	-	10	-	-	10
As at 31 October 2021	10,702	(36,903)	3	9,728	148	(16,322)

Certain deferred tax assets and liabilities have been netted off as required by IAS12. The amount of non-current deferred tax liability disclosed on the face of the balance sheet after this set-off is £16,322,000 (2020: £18,165,000).

Deferred tax assets totalling approximately £54,000 (2020: £47,000) have not been recognised on losses carried forward of £246,000 (2020: £246,000).

In the March 2021 Budget, it was announced that the standard rate of corporation tax would remain at 19%, increasing to 25% from 1 April 2023. There is no expiry date on the timing differences, unused tax losses or tax credits.

24. Share capital

	Share nominal £'000	Share premium £'000	Share capital £'000
Allotted, called up and fully paid at 31 October 2021			
180,378 A1 ordinary shares of £1 each (par value £0.01)	2	178	180
15,000 A2 ordinary shares of £1 each (par value £0.20)	3	12	15
762,821 B1 ordinary shares of £1each (par value £0.01)	7	756	763
32,579 B2 ordinary shares of £1 each (par value £0.01)	1	32	33
	13	978	991

	Share nominal £'000	Share premium £'000	Share capital £'000
Allotted, called up and fully paid at 31 October 2020			
132,025 A1 ordinary shares of £1 each (par value £0.01)	1	131	132
15,000 A2 ordinary shares of £1 each (par value £0.20)	3	12	15
808,031 B1 ordinary shares of £1each (par value £0.01)	8	800	808
32,369 B2 ordinary shares of £1 each (par value £0.01)	1	31	32
	13	974	987

The A1, A2, B1 and B2 represent the ordinary shares and entitle the holders to receive by way of dividend any profits available for distribution. The four classes of ordinary shares rank pari passu but constitute separate classes of share.

The A1 Ordinary shares do not entitle the holder to attend or vote at any general meeting or on any resolution proposed to members.

The A2 Ordinary shares entitle the holders to receive notice and to vote at general meetings on the basis that 5,000 A2 Ordinary Shares shall represent 5% of the total voting rights attaching to the Ordinary Shares.

The B1 and B2 Ordinary shares entitle the holders to receive notice and to vote at general meetings on the basis of one vote per share.

Reconciliation of the number of shares	A1 ordinary shares	A2 ordinary shares	B1 ordinary shares	B2 ordinary shares	Total number of shares
At 31 October 2020	132,025	15,000	808,031	32,369	987,425
Shares issued during the period	3,353	-	-	-	3,353
Re-designation	45,000	-	(45,210)	210	-
At 31 October 2021	180,378	15,000	762,821	32,579	990,778

25. Share based payments

The Group has an Employee Benefit Trust ("EBT"), whereby the group, at the discretion of the Board, award ordinary class of shares in the company to employees. The EBT is administered by the Trustee, as appointed by the company. The Trustee may consider any recommendations made by the company but the company has no power to direct the Trustee to comply with such recommendations. The company has the power to appoint and remove Trustees.

Shares can also be awarded, at the discretion of the Board, directly to employees.

Ordinary shares awarded to employees vest on a sale or public listing of the group.

At 31 October 2021, there were 150,368 A ordinary shares awarded to employees (2020: 20,000 A ordinary shares).

During the year ended 31 October 2021 the group has recorded a share based payment charge of £57,340 (2020: £17,321).

For the ordinary shares awarded in the year, management has used a Binomial valuation model to determine the price of the ordinary shares at grant date. The valuation model inputs used to determine the fair value at the grant date were:

2021: **Grant date**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired/ forfeited/ other**	**Balance at the end of the year**
31/10/2020	20,000	-	-	-	20,000
31/03/2021	-	114,220	-	-	114,220
24/08/2021	-	16,148	-	-	16,148
	20,000	130,368	-	-	150,368

2020: **Grant date**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired/ forfeited/ other**	**Balance at the end of the year**
31/10/2020	-	20,000	-	-	20,000

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

2021: **Grant date**	**Expiry date**	**Share price at grant date**	**Exercise price**	**Expected volatility**	**Expected dividend yield**	**Risk-free interest rate**
24/8/2021	3.19 years	£5.21	£1.05	39.08%	0%	0.27%
31/3/2021	3.59 years	£5.21	£1.05	38.91%	0%	0.41%

26. 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 consolidated income statement.
Hedging reserve	Cumulative net gains and losses from highly effective hedging instrument derivative movements recognised initially in the consolidated statement of total comprehensive income before being recycled into the consolidated income statement when the hedging instrument matures.
Treasury shares reserve	Shares held in the company by an Employee Benefit Trust ("EBT") which is presented as a deduction from equity. The EBT is considered to be under the control of the company and as such is consolidated under the provisions of IFRS 10.
Share-based payments reserve	Cumulative cost of share-based payment transactions in which equity instruments have been granted.
Share premium	Amount subscribed for share capital in excess of nominal value, and deduction of costs of raising equity.

27. Net cash flow from operating activities

Group	2021 £'000	2020 £'000
Operating loss	(8,599)	(18,166)
Fair value movement in deferred and contingent consideration payable	1,716	(2,993)
Amortisation and impairment of intangible assets	20,852	19,552
Depreciation and impairment of property, plant and equipment	15,769	14,756
Loss on disposal of property, plant and equipment	2,009	1,311
Equity settled share based payment expense	57	17
(Increase)/decrease in inventories	(3,565)	62
Decrease/(increase) in receivables	1,420	(6,973)
Increase in payables	3,817	835
Net cash inflow from operations	33,476	8,401

The subsidiary undertakings acquired during the period contributed £nil (2020: £(893,000)) to the group's net operating cash flows.

28. Analysis of cash flows for headings netted in cash flow statement

	2021 £'000	2020 £'000
Taxation		
Corporation tax paid	(578)	(392)
Investing activities		
Purchase of property, plant and equipment	(21,560)	(19,797)
Purchase of intangible software assets	(56)	(997)
Proceeds from disposal of assets	3,030	172
Purchase of right of use assets	(2,733)	-
Purchase of subsidiary undertakings (net of cash acquired) – note 16	-	(15,110)
Deferred consideration settled	(1,286)	(3,483)
Net cash outflow from investing activities	(22,605)	(39,215)
Financing activities		
Debt		
New bank acquisition facility drawdown (net of fees)	-	76,905
Capital repayment of lease liabilities	(2,307)	(2,449)
Repayment of loan note	(287)	(984)
Proceeds from issue of shares	4	-
Proceeds from share awards by EBT	109	20
Purchase of parent company shares by EBT	(54)	(81)
Net cash (outflow)/inflow from financing activities	(2,535)	73,411

29. Consolidated reconciliation of net cash flow to movement in net debt and analysis of changes in net debt

	2021 £'000	2020 £'000
(Decrease)/increase in cash in the period	(6,907)	20,507
Cash outflow from movement in debt and lease financing	5,503	(78,451)
Change in net debt resulting from cash flows	(1,404)	(57,944)
Loans and finance leases acquired with subsidiary	-	(206)
Assets acquired on finance leases	(1,769)	(2,880)
Lease liabilities on transition to IFRS 16	-	(3,032)
Amortisation of fees	(2,742)	(2,591)
Redeemable preference share interest	(47,353)	(42,284)
Other non-cash movements	(9,644)	(2,162)
Movement in net debt in the period	(62,912)	(111,099)
Net debt at start of the period	(822,241)	(711,142)
Net debt at end of the period	(885,153)	(822,241)

	31 October 2019 £'000	Cash flow £'000	Acquisitions £'000	Non cash £'000	31 October 2020 £'000
Cash at bank and in hand	10,989	20,507	-	-	31,496
Debt					
Debt due within one year	(1,237)	984	-	(34)	(287)
Debt falling due after more than one year	(718,173)	(81,884)	-	(46,683)	(846,740)
Finance leases	(2,721)	2,449	(206)	(6,232)	(6,710)
	(711,142)	(57,944)	(206)	(52,949)	(822,241)

29. Consolidated reconciliation of net cash flow to movement in net debt and analysis of changes in net debt (continued)

	31 October 2020 £'000	Cash flow £'000	Non cash £'000	31 October 2021 £'000
Cash at bank and in hand	31,496	(6,907)	-	24,589
Debt				
Debt due within one year	(287)	287	-	-
Debt falling due after more than one year	(846,740)	-	(59,329)	(906,069)
Lease liabilities	(6,710)	5,216	(2,179)	(3,673)
	(822,241)	(1,404)	(61,508)	(885,153)

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet position as shown above. There was no bank overdraft in either period.

30. Major non-cash transactions

In the current period, major non-cash transactions include amortisation of loan costs and non-cash interest charges as shown in note 29.

31. Guarantees

A guarantee has been given by the group in favour of HMRC to a limit of £700,000.

The group makes use of bank facilities on a group wide basis, whereby certain companies guarantee the borrowings of the others. Details of the group's borrowings are given in note 21.

32. Pension commitments

The group operates a defined contribution pension scheme. During the period contributions of £1,260,000 (2020: £1,544,000) were charged to the Consolidated Income Statement, there was £56,000 (2020: £225,000) outstanding at the year end in respect of this.

33. Operating lease arrangements

From 1 November 2019, the group has recognised all leases as right-of-use assets and lease liabilities, except for short-term and low-value leases under the provisions of IFRS 16. See note 20 for further information.

34. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

During the year, monitoring fees of £288,000 (2020: £307,000) were charged to the group from its ultimate controlling party, Cinven Partners LLP. There was a balance payable of £99,000 (2020: £90,000) at the statement of financial position date.

35. Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

The group's principal financial instruments comprise interest bearing loan notes and bank borrowings. The main purpose of these financial instruments is to finance the group's operations. The group has various other financial assets and liabilities such as cash balances, receivables and trade and other payables that arise from its operations, as well as derivative financial instruments.

The group's activities expose it to various financial risks: market risk (foreign exchange risk and interest risk), liquidity risk and credit risk.

Derivative financial instruments and hedge accounting

Derivatives are transacted to mitigate financial risks that arise as a result of the group's operating activities and funding arrangements. At the inception of a hedge, the group documents the relationship between the hedging instrument and the hedged item, the risk management objective and strategy for undertaking the hedge.

The group assesses whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item at inception and it also assesses whether the hedge has been and will continue to be effective on an ongoing basis.

All derivatives are initially recognised at fair value and are also measured at fair value at each reporting date. Derivatives with positive fair values are recognised as assets and those with negative fair values as liabilities. They are also categorised as current or non-current according to the maturity of each derivative. All gains or losses arising due to changes in the fair value of derivatives are recognised in profit or loss except when the derivative qualifies for cash flow hedge accounting.

Cash flow hedges

The group designates derivatives into a cash flow hedge where they have been transacted to hedge a highly probable forecast transaction or a particular risk associated with an asset or liability. The effective portion of the change in the fair value of the derivatives, that are designated into cash flow hedge relationships, are recognised in other comprehensive income. Cumulative gains or losses on derivatives are reclassified from other comprehensive income into profit or loss in the period when the transaction occurs. Any ineffective portion of the gain or loss on the derivative is immediately recognised in profit or loss. The group has a centralised treasury function which manages funding, liquidity and other financial risk.

The objective of the policy and controls that are established are to mitigate the risk of an adverse impact on the performance of the group as a result of its exposure to financial risks arising from the group's operations and its sources of finance. It is the group's policy not to engage in speculative trading of financial instruments.

The Board retains ultimate responsibility for treasury activity and is involved in key decision making.

Foreign exchange risk

The majority of purchases made by the group are denominated in sterling, however a substantial portion of trade purchases are made in other currencies, primarily the Euro and US dollar. The group's objective is to reduce short term profit volatility from exchange rate fluctuations. The group monitors its unhedged currency risks and uses forward exchange contracts to mitigate these risks.

At the balance sheet date, the group had taken out forward currency contracts in US dollar and Euros to hedge against the US dollar and Euro.

35. Financial instruments (continued)

Currency risk

The group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than GBP, primarily the Euro (€) and US Dollars ($).

The group's exposure to foreign currency risk may be summarised as follows:

	31 October 2021		31 October 2020	
	US Dollars $'000	Euros €'000	US Dollars $'000	Euros €'000
Trade receivables	-	263	-	253
Trade payables	(2,684)	(2,760)	(2,026)	(3,616)
Bank	302	1,987	5,022	7,810
Balance sheet exposure	(2,382)	(510)	2,996	4,447

The following exchange rates applied during the year:

	2021 Average rate	2020 Average rate
US Dollar	1.37	1.26
Euro	1.15	1.10

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its obligations as they fall due. The group evaluates and continuously monitors the amount of liquid funds needed for business operations. The group has a £355 million long term bank loan with a £50 million revolving credit facility, secured until between 15 August 2024 and 15 August 2025 to support its short and medium term liquidity needs.

On 28 February 2020, the group secured additional loan facilities to its 1st and 2nd lien term loans. A £30,000,000 Facility B2 Senior loan was secured and fully drawn on the same terms as the 1st lien term loan, repayable on 15 August 2025. A £10,000,000 Facility B2 Second Lien was secured and fully drawn on the same basis as the 2nd lien term loan, repayable on 15 August 2025.

On 28 February 2020, the group secured a new Acquisition & Capex Facility ("ACF") of £40,000,000, which can be used to refinance existing bank debt, acquisitions or capital expenditure. The ACF was secured on the same terms as the 1st lien term loan. The ACF is available to draw until 28 August 2022, with any drawn balance repayable on 15 August 2025.

Interest risk

The group's exposure to interest rate risk relates primarily to obligations on bank borrowings, which are based on LIBOR. There are no conditions in the senior funding agreement regarding fixing any portion of the interest risk.

As at the balance sheet date 0% of the group's total borrowings are at fixed rate. At the reporting date, the sensitivity to a reasonable possible change (+/– 0.5%) in the LIBOR rates would equate to a £2.4 million (2020: £2.3 million) post tax profit or loss exposure in relation to the unhedged interest rate exposures over the next 12 months.

35. Financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk.

The group has established a credit policy under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered.

The group's review includes external ratings, where available, and in some cases references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval. Customers that fail to meet the group's benchmark creditworthiness may transact with the group only on a prepayment basis or after payment of an upfront deposit.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the group may have a secured claim. The group does not require collateral in respect of trade and other receivables.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This is then assessed by industry sector to enable an evaluation of the estimate of incurred losses for its reasonableness.

The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The reconciliation of the allowance for doubtful debts account for the period is shown below:

Group	**2021 £'000**	**2020 £'000**
At 31 October	3,308	647
Balance acquired	-	665
Used in the year	(1,709)	(404)
Created in the year	1,000	2,400
At 31 October	2,599	3,308

The carrying value of financial assets represents the maximum credit exposure. The maximum exposure at the reporting date was:

Group	**31 October 2021 £'000**	**31 October 2020 £'000**
Trade receivables	23,495	24,947
Cash and cash equivalents	24,589	31,496
	48,084	56,443

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

35. Financial instruments (continued)

Fair values

Most of the group's financial instruments are carried at fair value in the Statement of Financial Position. For certain other financial instruments, specifically trade and other receivables/payables, the carrying amounts approximate to fair value due to the immediate or short term nature of these financial instruments.

	As of 31 October 2021		As of 31 October 2020	
Financial assets	**Group £'000**	**Company £'000**	**Group £'000**	**Company £'000**
Current				
Cash and bank balances	24,589	116	31,496	61
Trade and other receivables	29,197	31	34,969	5
Derivative financial instruments	10	-	-	-
Non-current				
Amounts owed by group undertakings	-	413,012	-	379,187
Total financial assets	53,796	413,159	66,465	379,253
Financial liabilities				
Current				
Trade and other payables	(36,790)	(1,372)	(40,705)	(2,750)
Obligations under leases	(1,691)	-	(2,461)	-
Interest bearing loans and borrowings	-	-	(287)	-
Derivative financial instruments	-	-	(40)	-
Non-current				
Interest bearing loans and borrowings	(906,069)	(443,142)	(846,740)	(395,790)
Obligations under leases	(1,982)	-	(4,249)	-
Total financial liabilities	(946,532)	(444,514)	(894,482)	(398,540)

Fair value hierarchy

As at 31 October 2021, the group held the following financial instruments carried at fair value in the statement of financial position:

Foreign exchange forward contracts

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Derivative financial instruments are level 2 and all other financial instruments are level 3.

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

The largest and smallest group in which the results of the company were consolidated was that headed by JLA Acquisitions Topco Limited, which is incorporated in Jersey.

The ultimate majority shareholder 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.