Company Registration No. 126391

JLA Acquisitions Topco Limited

Annual Report and Financial Statements

Year ended 31 October 2024

(Registered under the Companies (Jersey) Law 1991)

JLA Acquisitions Topco Limited

Annual report and financial statements 2024

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Report and financial statements for the year ended 31 October 2024

Officers and professional advisers

Directors

R Neeson	(Cinven Partners)
D Tanase	(Cinven Partners)
Lord J Birt	
B Gujral	
S Norton	

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.

Sarah Norton (Group Chief Financial Officer). Sarah joined the Group in April 2022. Sarah's experience covers multiple sectors, including technology, logistics and manufacturing, providing a diverse knowledge of finance in a range of circumstances, but with a strong focus on PE-backed and international businesses. Sarah joined the Group from Azets and was previously Group Finance Director at Hydro International.

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, STADA 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.

JLA Acquisitions Topco Limited

Report and financial statements for the year ended 31 October 2024

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 Board Remuneration Committee

Sarah Norton – Group CFO and member of the Audit Risk and Compliance Committee

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

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

Registered Office

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Bankers

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S1 2FF

Auditor

BDO LLP
Eden Building
Irwell Street
Manchester
M3 5EN

JLA Acquisitions Topco Limited

Strategic report

The directors present their report and the audited consolidated financial statements for the year ended 31 October 2024.

Corporate activity and shareholder transactions

These accounts include all the transactions of the Company and its subsidiaries (the Group) for the accounting year ended 31 October 2024.

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.

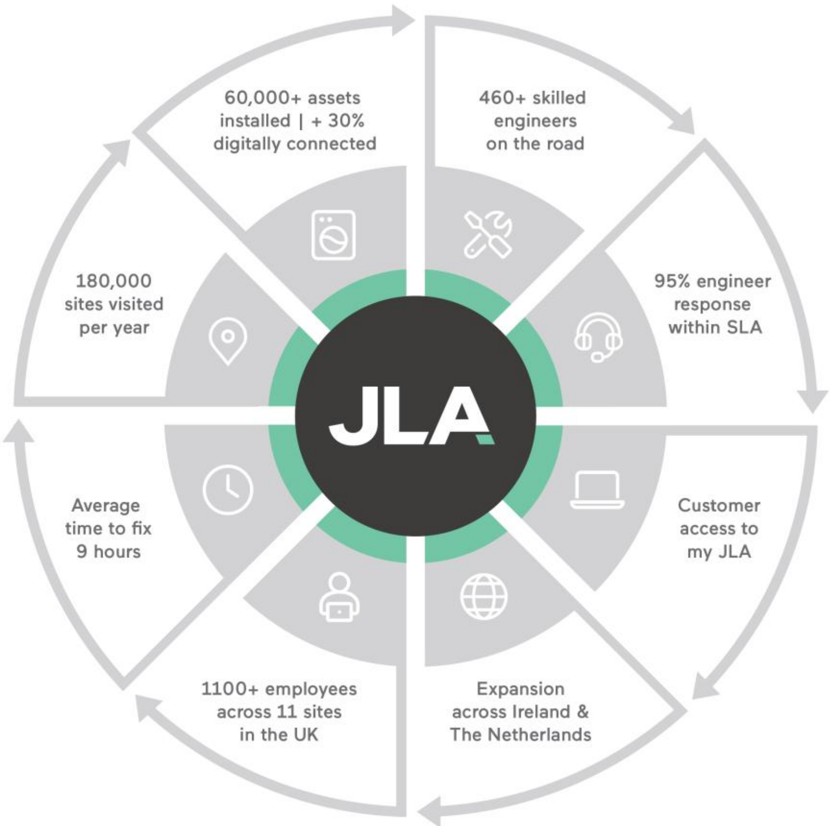
Business model

As an international business, JLA supplies and services equipment that is critical to its customers' operations in Laundry, Catering, HVAC and Fire Safety.

JLA focuses its efforts in key parts of the social infrastructure of the UK, Ireland and Benelux, with sectors including Care, Education, Facilities Management and Housing driving the majority of the company's revenues and earnings.

JLA works with its customers on a long-term basis as a trusted partner. Its critical asset services are backed by long term contracts generating annuity revenues which underpin the Group’s resilient and sustainable business model.

JLA’s chosen critical asset classes are focused on those assets which are essential to the day to day operations of its customers’ businesses, have a high cost of failure and very often travel with a form of regulatory or compliance requirement.



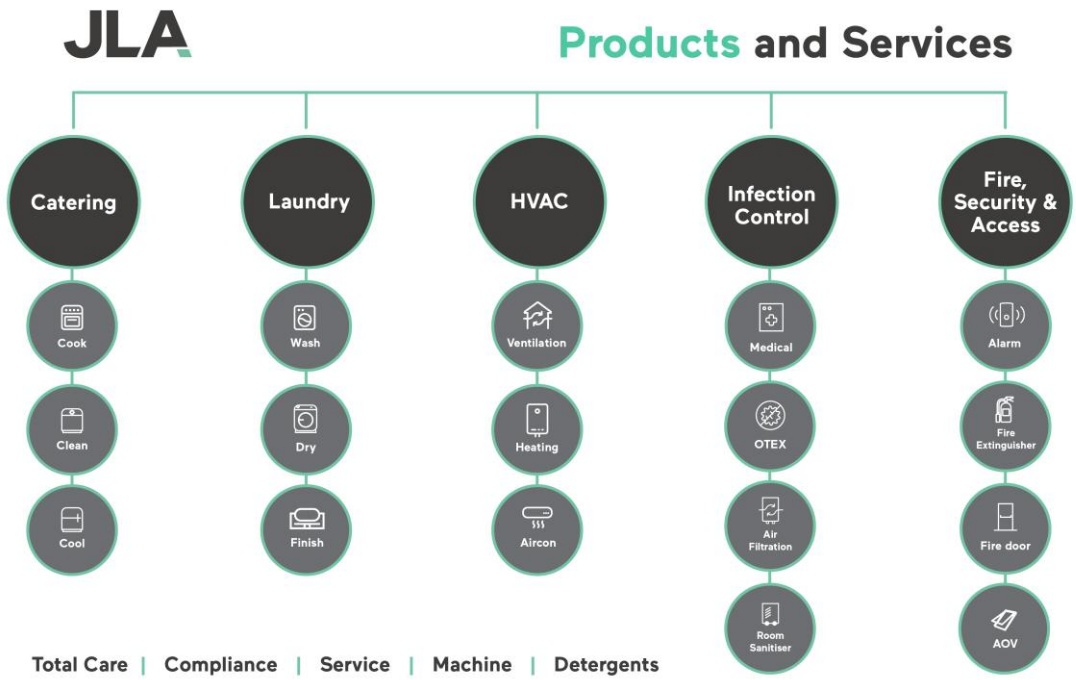
Business model (continued)

Commercial laundry (including Infection Control)
JLA has been a trusted name in commercial and industrial laundry solutions for over fifty years. The range of assets covers washers, dryers, ironers, as well as detergent. All assets are energy efficient and a significant proportion are now digitally connected. Managing the risk of infection outbreaks is critical for all businesses. JLA provides a range of infection control solutions to manage this risk. This includes state-of-the-art room sanitisers, laundry systems and thermal dishwashers.

Commercial catering
JLA provides commercial catering assets, with social sector customers in the UK trusting JLA to supply, maintain and fix their vital cookers, fridges, and washers.

Fire safety
JLA has extensive experience in keeping people and premises safe with fire risk assessments, detection and warning solutions and fire-fighting equipment, as well as servicing, maintenance and testing for critical escape route doors, signage and lighting.

HVAC
JLA covers a wide range of HVAC solutions from reactive boiler repairs and gas safety certification, to the design and installation of heating and air conditioning systems, as well as the planned maintenance needed for optimum performance and safety. With efficiency and environmental impact front of mind, we offer air source heat pump solutions as well as some of the most energy efficient boilers on the market.



Business model (continued)

Total Care by JLA

JLA operates a highly differentiated and defensive business model with a Total Care value proposition. Total Care provides full peace of mind to customers for all aspects of their capital intensive critical equipment. Under Total Care JLA leases the equipment to the customer and provides 24/7 support including repair and replacement for one simple monthly payment. Total Care is backed by the security of a long-term contract and a national network of skilled engineers.

Alongside Total Care, JLA also provides a range of other services and solutions for those customers that still want the peace of mind JLA offers but prefer to own the equipment.

Business model (continued)

Circuit

JLA also provides a managed laundry service under its Circuit brand. This provides a fully equipped retail laundry facility on customer premises. JLA will manage and operate the facility on behalf of the customer on a revenue share basis. The largest customer sector for these managed laundries is Universities.

Digital

As a trusted partner, JLA is continually evolving its customer propositions. An increasing number of functions and interactions are now offered digitally to our customers via the MyJLA Portal. This enables increased efficiency and ease of use for customers and greater operational efficiency for JLA. All new JLA Total Care laundry machines now come digitally connected with JLA Connect offering 24/7 device monitoring and insights enabling remote monitoring to further reduce machine downtime and improve the customer experience.

Customer acquisition and retention

JLA operates a sophisticated marketing and sales model using data assets and tools alongside our highly experienced sales team to reach new customers and grow the value of existing customer relationships. JLA also dedicates significant effort to customer satisfaction to ensure we retain our customers.

Business strategy

JLA has a clearly defined strategic vision as an international business. We will remain focused on meeting the needs of our customers and evolving our services and solutions in line with these, with a focus on social sectors in care, education, housing and government. This builds upon JLA's deep expertise in these segments.

We will act as a trusted partner to our customers, building long-term relationships and offering peace of mind for all customers' critical equipment needs. JLA will seek to grow the value of these long-term relationships by increasing the range of services provided in a mutually beneficial way.

JLA will continue to take advantage of technological developments to improve the customer experience, increasingly offering digital first solutions and capabilities. JLA has leading data assets which will continue to inform our decision making and support our sales efforts.

We will continue to develop and improve our operating platform, focusing on improving efficiencies and enhancing the customer experience.

JLA will look to expand into adjacent markets and internationally where there is a clear opportunity to increase the range of critical asset solutions offered to our customers either domestically or internationally.

JLA is committed to improving the sustainability of our operations and this is foundational in what we do.

JLA Acquisitions Topco Limited

Strategic report

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, infection control, 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 Adjusted EBITDA in the long term.

In the reporting period under review this has been achieved through organic growth. Revenue for the year is £203.2 million (2023: £187.5 million).

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, impairment on fixed assets, share based payments and separately disclosed items. The directors consider that due to their size and nature, separately disclosed items should be excluded to provide a more accurate presentation of the operational performance of the group. Details of separately disclosed items can be found in note 6. Adjusted EBITDA is £67.3 million (2023: £59.1 million). Below is a reconciliation from Adjusted EBITDA to reported operating profit.

	2024 £’000	2023 £’000
Adjusted EBITDA	67,277	59,105
Depreciation	(21,517)	(19,664)
Intangible asset and goodwill amortisation	(23,824)	(21,436)
Loss on disposal of fixed assets	(2,733)	(4,377)
Separately disclosed items	(17,111)	(10,237)
Operating profit	2,092	3,391

The Group recorded a loss after tax from continuing operations of £135.6 million (2023: £97.5 million) and reported net liabilities of £548.0 million (2023: £413.4 million).

The Group acquired Reliance Equipment Limited, on 1 November 2023, Laundry Total BV, on 5 September 2024 and Decat Distribution Limited on 16 October 2024 (note 16).

The consolidated statement of financial position on pages 27 and 28 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 £548.0 million (2023: £413.4 million) reflect the financing structure of the Group as discussed below. The consolidated statement of financial position reported cash of £50.7 million (2023: £29.3 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 the Board as appropriate.

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.

Business review (continued)

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. Following the publication of its inaugural Sustainability Report in 2023 the business has made progress on its key targets, reducing scope 1 & 2 CO_2 emissions by 9% and sourcing 93% of its electricity requirements from renewable energy sources.

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. For the year ended 31 October 2024, we achieved an LTIFR rate of 2.40 (2023: 3.06), 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. The results of calculations from this year provide a 1.8% reduction in the gender pay gap, which reflects the progressive salary review implemented by the business in the period.

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.

Future developments

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

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

The main trends and factors that are likely to affect the future development of the business are as follows:

- Environment: as the UK looks to reduce its carbon emissions, JLA, supported by its digital propositions is well placed to help our customers navigate the challenging path to decarbonisation, whether through installation of heat pumps to reduce reliance on conventional gas boilers, or by using OTEX to reduce water temperatures and electricity bills.
- Continued growth in core markets underpinned by significant white space: the Care and Housing markets are forecast to continue growing with strong growth in the Housing market in particular. A large proportion of the Company's revenues are derived from social sectors and continued growth in these sectors will deliver strong demand for the Group's products and services.
- Regulatory burden: the equipment supplied and maintained by the Group is subject to a number of regulations which customers are obliged to address. The continued increase of high regulatory cost of failure for such equipment will continue to drive demand for the Group's products and services.

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 and the social sectors in which the Group operates, an economic downturn can have an adverse impact to the business, particularly in sectors that are reliant on economic growth to prosper.
- Similar to all technology enabled businesses JLA faces the risk of a cyber-incident, resulting in significant business disruption and high costs of remediation. JLA has invested in modernising its technical infrastructure to minimise both the likelihood and impact of a cyber-incident. JLA also employs industry leading technology and third-party experts to detect and respond to incidents and continually reviews its tool and service investments to address the evolving cyber threat landscape. JLA has a well-tested business continuity plan, back-up strategy and disaster recovery plan and reviews and improves these on an ongoing basis.
- A major operational incident at the Group’s headquarters or other significant premises could cause extended interruption to normal business operations. The Group has invested heavily to mitigate against the impact of such an incident, including a generator to mitigate against the loss of electrical supply, installing flood defences, moving its systems into a cloud environment and outsourcing the delivery of goods to a nationally recognised logistics supplier. These actions have reduced the effect that any major incident at the Group’s headquarters would have, but the Board remains vigilant to the risks posed by any such incidents.
- The Group sources a number of products from overseas in prices denominated in foreign currencies. Any weakness of sterling has the potential to make these goods more expensive in sterling terms. This risk is managed by a Group Treasury Committee, which meets on a periodic basis, and may authorise the Group to enter into hedging contracts that typically fix the purchase price of a significant portion of the Group’s goods for the next 12-18 months. This is assessed against the amount of foreign currency held, and the timing of when hedging contracts are entered is determined accordingly. The Group also has RPI linked contracts in its Total Care contracts offering further protection from foreign currency or inflationary pressure.
- Supply chain and inventory management – the Group’s cash flows from operations may be negatively affected if it is not successful in managing its inventory balances. The Group has developed a range of measures it employs to enable it to better manage its inventory levels throughout the course of the year. The Group has outsourced its asset inventory management to an external specialist, to further improve stock management processes. The Group has also implemented a number of demand planning models to optimise stock holding levels. However, the Board remains vigilant to the risks posed by a disruption to the supply chain.
- Demand for labour remains high which has resulted in challenges in staff recruitment and retention. Various financial and non-financial measures have helped to mitigate the recruitment risk and to develop and retain staff, including pay benchmarking, an apprenticeship scheme and a management development programme. The Group continues to invest in its people.
- Credit and liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of a revolving credit facility at floating rates of interest. The Group’s credit risk is primarily attributable to its trade receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers, social sectors and market segments.

Principal risks and uncertainties (continued)

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

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.

	2024		2023	
	Men	**Women**	Men	Women
The Board	**4**	**1**	4	1
Executive Team	**5**	**1**	4	2
Senior Leadership Team	**42**	**20**	20	15
Other employees	**685**	**338**	697	339

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.

Following the publication of its inaugural Sustainability Report in 2023 the business has made progress on its key targets, reducing scope 1 & 2 CO_2 emissions by 9% and sourcing 93% of its electricity requirements from renewable energy sources.

In 2024 the Group set a target to reach net zero by 2040, which has driven the reduction in CO_2 emissions and reshaped the sustainability approach. Initiatives include a collaboration with the University of the West of England, with whom the business is developing a commercial-grade washing machine filter to capture microplastic fibres at 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

Our Approach

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

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

Our Employees

Board considerations

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

Diversity and inclusion

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

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

Through its diversity policy, the Group and company seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities.

Our policies and procedures fully support any disabled colleagues. We take active measures to do so via:

- a robust reasonable adjustment policy; and
- processes to ensure colleagues are fully supported.

The Group is responsive to the needs of its employees. As such, should any employee of the Group become disabled during their time with us, we will actively retrain that employee and make reasonable adjustments to their working environment where possible, in order to keep the employee with the Group. It is the policy of the Group that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Career Development

We are keen to ensure our colleagues have clear development goals and the opportunity to further their career with us. During the period we invested heavily in our colleague development framework. We launched our career clinics which are aimed at linking our colleagues with employment opportunities elsewhere in the business, thereby enabling them to develop further and progress their careers.

s.172 Statement (continued)

Our Employees (continued)

Wellbeing

The wellbeing of our colleagues is key to our success. Our business is powered by people, and so it's in our best interests to ensure we take care of them, and provide an environment in which they can thrive. Our approach to wellbeing is multi-facted, with a focus on financial, mental and physical wellbeing.

Engagement and Communication

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

Our Customers

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

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

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

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

We continued to build on our digital propositions, following the launch of MyJLA and JLAConnect in FY22.

The Group acquired Reliance Equipment Limited, on 1 November 2023, Laundry Total BV, on 5 September 2024 and Decat Distribution Limited on 16 October 2024 (note 16).

The acquisitions were selected to expand the company's International presence, as well as cross sell opportunities into existing JLA verticals.

Our Suppliers

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

During the period, the cost and delivery time from its supply chain was stable. The business continues to work closely with its long standing suppliers to identify ways in which to mitigate any impact of increases to supply chain and limit the impact on our customers. We will continue to invest in strengthening our existing relationships whilst identifying new supplier relationships to mitigate against future supply chain impacts.

s.172 Statement (continued)

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.

Following the publication of its inaugural Sustainability Report in 2023 the business has made progress on its key targets, reducing scope 1 & 2 CO_2 emissions by 9% and sourcing 93% of its electricity requirements from renewable energy sources.

In 2024, the Group set a target to reach net zero by 2040, which has driven the reduction in CO_2 emissions and reshaped the sustainability approach. Initiatives include a collaboration with the University of the West of England, with whom the business is developing a commercial-grade washing machine filter to capture microplastic fibres at source.

We have also entered into contracts to source from renewable sources the majority of the energy used to heat and light our buildings. We are fully compliant with Waste Electrical and Electronic Equipment (WEEE) regulations, which encourage the reuse and recycling of electrical equipment.

Social and community

At JLA, we proudly support the UK's social infrastructure through the core services we provide to organisations whose work holds communities together and helps people to thrive. Our important work with hospitals, care homes and housing associations positions us to positively impact the lives of the most vulnerable people in society. It is a responsibility we take seriously.

We actively engage and invest in the communities in which we operate and want to create a positive and long-lasting legacy. Part of this vision is fulfilled by our 'Make a Difference Colleague Volunteering' days, which give staff a full working day of paid leave to volunteer.

As part of our commitment to delivering social value, we used our 2024 apprenticeship levy to help fund essential training across the care sector. We donated £49,500 of our apprenticeship levy for training and development at Berkley Care – a national care home provider focused on developing and promoting individuals from within. Completed through our partnership with our training provider, this levy transfer has funded adult care, chef and personal training apprenticeships, and will help to maintain high standards of care in the future. We also donated a total of £56,000 to a national nursery and childcare provider, which will help to fund the next generation of childcare through eight Early Years Educator Level 3 apprenticeships.

Streamlined Energy and Carbon Reporting ("SECR")

Introduction and methodology

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. As a minimum, we are required to report the GHG emissions from fuel combustion, purchased energy and transport vehicles, under Streamlined Energy and Carbon Reporting (SECR). Additionally, the use of an intensity ratio and an outline of implemented efficiency measures are required under the Streamlined Energy and Carbon Reporting (SECR) regulations.

To ensure a high level of transparency is achieved, robust and recognised reporting methods are implemented. The reporting methodology involves usage of the 2024 DEFRA (Department for Environment, Food and Rural Affairs) emissions factors to calculate and assess our UK operational emissions.

The SECR reporting period covers JLA Acquisitions Topco Limited's UK operations from the 1st November 2023 to the 31st October 2024 and our calculations are for the following scopes:

- **Building-related energy** – Natural gas consumption (Scope 1), fuel combustion at site (Scope 1) and purchased electricity consumption (Scope 2).
- **Transportation** – Fuel combustion for business travel in company owned or operated vehicles (Scope 1), emissions from company Electric Vehicles (EVs) (Scope 2), and business travel in personal or hire vehicles (Scope 3).
- **Transmission and distribution (T&D)** – this accounts for electricity grid losses. This is voluntary Scope 3 reporting by JLA Acquisitions Topco Limited.

Calculation Methodology

JLA Acquisitions Topco Limited's emissions have been assessed in accordance with the 'GHG Protocol Corporate Accounting and Reporting Standard' and in line with DEFRA's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements'. The DEFRA 2024 emissions conversion factors were used to quantify the emissions associated with JLA Acquisitions Topco Limited's UK operations for the specified reporting period.

Organisational Boundary

We have used the operational control approach.

JLA Acquisitions Topco Limited

Strategic report

Streamlined Energy and Carbon Reporting (“SECR”) (continued)

Results

The SECR reporting period covers JLA Acquisitions Topco Limited’s UK operations from the 1 November 2023 to the 31 October 2024. GHG emissions and energy usage data for the year ended:

Reporting period		**FY23**	**FY24**
Area	**Metric**	**UK & Offshore**	**UK & Offshore**
Emissions from combustion of fuel in company owned or operated vehicles (Scope 1)	Energy (kWh)	14,450,072	12,954,057
	Emissions (tCO_2e)	3,447.40	3,076.62
Emissions from combustion of natural gas at site (Scope 1)	Energy (kWh)	331,062	287,108
	Emissions (tCO_2e)	60.56	52.51
Emissions from combustion of onsite fuel (Scope 1)	Energy (kWh)	37,716	59,040
	Emissions (tCO_2e)	9.18	14.47
Emissions from purchased electricity - location-based (Scope 2)	Energy (kWh)	1,204,576	1,182,334
	Emissions (tCO_2e)	249.44	244.80
Emissions from company Electric Vehicles (EVs) (Scope 2)	Energy (kWh)	10,028	5,882
	Emissions (tCO_2e)	2.08	1.22
Emissions from expensed business travel in employee and hire vehicles (Scope 3)	Energy (kWh)	1,026,866	928,003
	Emissions (tCO_2e)	248.96	234.97
			Intensity Ratios
Revenue	£	187,462,000	203,149,644
Full time employees	FTE	1,082	1,096
Intensity Ratio - Average emissions per £100k revenue	(tCO_2e / £100k Revenue)	**2.14**	**1.78**
Intensity Ratio - Average emissions per full time employee	(tCO_2e / Employee)	**3.71**	**3.31**
Intensity Ratio - Average total energy use per full time employee	(kWh / Employee)	**15,767**	**14,066**
			Totals
Total Energy Consumption	(kWh)	**17,060,319**	**15,416,424**
Total Emissions	(tCO_2e)	**4,017.62**	**3,624.59**
			Voluntary Reporting – Additional Scope 3 Emissions
UK Grid electricity transmission and distribution losses – location based (Scope 3)	Emissions (tCO_2e)	21.76	21.74
Total Emissions Including Voluntary Scope 3	(tCO_2e)	**4,039.38**	**3,646.34**

JLA Acquisitions Topco Limited

Strategic report

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

Intensity ratios

Current government environmental reporting guidance recommends the development of at least three Key Performance Indicators (KPIs) associated with key environmental impacts. In order to facilitate comparisons with our previous intensity measurements, and with other similar organisations, we have chosen the intensity metrics of:

- Average carbon equivalent emissions per £100k revenue
- Average carbon equivalent emissions per full time employee
- Average energy consumption per full time employee.

Energy efficiency measures

During the reporting period, the main efficiency measures have been the continued replacement of diesel vans with hybrids, and the uptake of renewable energy.

From November 2023, we have replaced 45 diesel vans with hybrids. We also continue to deploy electric company cars instead of ICE vehicles.

Regarding consumption of renewable energy, we have increased the percentage of renewable energy compared to total electricity/gas building energy from 68% in Q4 of 2023 to 91% in Q3 of 2024.

Going concern

The financial results of the Group and the future developments are discussed on pages 7 and 8.

The Group has net liabilities of £548.0 million (2023: £413.4 million), recorded a loss after taxation from continuing activities of £135.6 million (2023: £97.5 million) and recorded a net cash inflow of £21.4 million (2023: £5.3 million net cash inflow). Funding is provided to the company through external borrowings.

The facilities comprise a £560 million 1st lien term loan repayable in June 2031, a £80 million ACF facility repayable in June 2031 and a £50 million revolving credit facility repayable on 15 February 2026.

The senior facilities term loans were drawn down in full. At 31 October 2024, the group had drawn down £25 million (2023: £40 million) of the ACF. At 31 October 2024, the group had utilised £29 million (2023: £50 million) of the revolving credit facility.

The term loan facilities are secured by fixed and floating charges over a number of the group’s subsidiaries.

In the current year, the interest rate payable on all facilities is based on a margin above SONIA. During the prior year the Group purchased an interest rate cap (note 22). Under the terms of the interest rate cap, £325 million of the group’s debt facilities were capped at a SONIA rate of 2.5% until April 2024.

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

S Norton
Director
9 April 2025

JLA Acquisitions Topco Limited

Directors' report

The director's present their report and the audited consolidated financial statements for the year ended 31 October 2024.

Principal activities

These accounts include all of the Group and Company's transactions for the accounting year ended 31 October 2024.

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 2024.

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, infection control, 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	
S Norton	

Results and dividends

The consolidated income statement is set out on page 25 and shows the loss for the year.

The directors do not recommend the payment of a dividend.

Employee engagement

The Group and company have established communication channels to ensure employees are appraised of Group and 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.

Directors' indemnities

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

Provision of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of 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 8.

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

S Norton
Director
9 April 2025

Registered office: Aztec Financial Services (Jersey) Limited, IFC6, The Esplanade, St. Helier, JE4 0QH, Jersey.
Registered in Jersey No. 126391

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.

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 Parent Company’s affairs as at 31 October 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Financial Reporting Standards and 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 2024 which comprise the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated and parent company statement of financial position, the consolidated and parent company statement 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 their preparation is applicable law and; for the Group, the International Financial Reporting Standards; for the Parent Company, United Kingdom Accounting Standard 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice) together 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 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance including members of the Audit, Risk and Compliance Committee; and
- Obtaining an understanding of the Company’s policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be International Financial Reporting Standards, United Kingdom Generally Accepted Accounting Practice, the Companies (Jersey) Law 1991 and industry related regulations.

The Group and Parent Company are also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment legislation, the UK Bribery Act 2010, Information Commissioner's Office and Financial Conduct Authority by nature of its operations in the UK.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

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)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group and Parent Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be the manipulation of the financial statements by posting inappropriate journal entries or through management bias in significant accounting estimates, as well as recording of revenue in the incorrect period.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant estimates made by management for bias by challenging the underlying assumptions and judgements in particular in relation to the valuation of goodwill, allowance for expected credit losses of trade receivables, provision for impairment of inventories, capitalisation of development costs, release of deferred income and recognition of deferred tax;
- 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- review of the minutes of Board meetings throughout the period;
- the agreement of the financial statement disclosures to underlying supporting documentation; and
- evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Independent auditor’s report to the members of JLA Acquisitions Topco Limited (continued)

Use of our report
This report is made solely to the 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 Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Gary Harding
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Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Chartered Accountants
Manchester, United Kingdom
Date signed: 10 April 2025

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 2024

	Notes	2024 £'000	2023 £'000
Revenue	5	203,150	187,462
Cost of sales		(89,095)	(84,157)
Gross profit		114,055	103,305
Administrative expenses		(111,963)	(99,914)
Operating profit		2,092	3,391
Change in fair value of interest rate cap	22	(4,435)	(4,684)
Finance costs	10	(151,492)	(106,684)
Loss before tax	6	(153,835)	(107,977)
Tax on loss	11	18,256	10,502
Loss for the year		(135,579)	(97,475)
Loss is attributable to:			
Owners of JLA Acquisitions Topco Limited		(135,579)	(97,475)
		(135,579)	(97,475)

The accompanying notes are an integral part of this consolidated income statement. Included within the results for the period are acquisitions which contributed £4.3 million (2023: £1.1 million) to revenue, £2.8 million (2023: £0.7 million) to cost of sales, £0.9 million (2023: £0.2 million) to administrative expenses and an operating profit of £0.6 million (2023: £0.2 million) (note 16).

Consolidated statement of total comprehensive income
Year ended 31 October 2024

	Notes	2024 £'000	2023 £'000
Loss for the year		(135,579)	(97,475)
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of derivatives	22	-	-
Deferred tax charge on origination and reversal of timing differences	11	-	-
Total comprehensive expense for the year		(135,579)	(97,475)
Total comprehensive expense for the year is attributable to:			
Owners of JLA Acquisitions Topco Limited		(135,579)	(97,475)
		(135,579)	(97,475)
Total comprehensive expense for the year attributable to the owners of JLA Acquisitions Topco Limited arises from:			
Continuing operations		(135,579)	(97,475)
		(135,579)	(97,475)

JLA Acquisitions Topco Limited

Consolidated statement of financial position
As at 31 October 2024

	Notes	31 October 2024 £'000	31 October 2023 £'000
Non-current assets			
Goodwill	12	430,459	424,530
Intangible assets	13	112,186	125,004
Property, plant and equipment	14	119,299	110,967
Trade and other receivables	18	3,366	1,891
Deferred tax asset	23	18,580	1,300
Derivative financial instruments	22	-	-
		683,890	663,692
Current assets			
Inventories	17	23,379	18,444
Trade and other receivables	18	66,618	34,731
Cash and bank balances		50,693	29,292
Derivative financial instruments	22	66	4,435
		140,756	86,902
Total assets		824,646	750,594
Current liabilities			
Trade and other payables	19	(82,335)	(54,757)
Current tax liabilities		(159)	(567)
Lease liabilities	20	(3,576)	(2,466)
		(86,070)	(57,790)
Net current assets		54,686	29,112
Non-current liabilities			
Borrowings	21	(1,275,818)	(1,095,363)
Lease liabilities	20	(10,763)	(10,855)
		(1,286,581)	(1,106,218)
Total liabilities		(1,372,651)	(1,164,008)
Net liabilities		(548,005)	(413,414)

Consolidated statement of financial position (continued)
As at 31 October 2024

	Notes	31 October 2024 £'000	31 October 2023 £'000
Equity			
Called up share capital - nominal	24	23	13
Share premium	24	1,967	989
Treasury shares reserve	26	(7)	(7)
Hedging reserve	26	-	-
Share-based payment reserve	26	404	294
Retained earnings	26	(550,392)	(414,703)
Equity attributable to the owners of the company		(548,005)	(413,414)
Total deficit		(548,005)	(413,414)

The financial statements of JLA Acquisitions Topco Limited registered number 126391 were approved by the Board of Directors on 9 April 2025.

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

Signed on behalf of the Board of Directors

S Norton
Director

JLA Acquisitions Topco Limited

Company statement of financial position
As at 31 October 2024

	Notes	31 October 2024 £'000	31 October 2023 £'000
Non-current assets			
Investments	15	10,485	10,485
Amounts owed by group undertakings	18	559,634	504,737
		570,119	515,222
Current assets			
Other receivables	18	989	2
Cash and bank balances		169	166
		1,158	168
Total assets		571,277	515,390
Current liabilities			
Trade and other payables	19	(7,720)	(2,441)
		(7,720)	(2,441)
Net current liabilities		(6,562)	(2,273)
Non-current liabilities			
Borrowings	21	(662,346)	(575,897)
Total liabilities		(670,066)	(578,338)
Net liabilities		(98,789)	(62,948)
Equity			
Called up share capital - nominal	24	23	13
Share premium	24	1,967	989
Share-based payment reserve	26	404	294
Retained earnings	26	(101,183)	(64,244)
Equity attributable to the owners of the company		(98,789)	(62,948)

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 £36,829,000 (2023: £24,262,000).

The financial statements of JLA Acquisitions Topco Limited registered number 126391 were approved by the Board of Directors on 9 April 2025. Signed on behalf of the Board of Directors

S Norton
Director

Consolidated statement of changes in equity
As at 31 October 2024

	Notes	Share capital £'000	Share premium £'000	Treasury shares reserve £'000	Hedging reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 November 2022		13	978	(7)	(44)	184	(317,074)	(315,950)
Loss for the year		-	-	-	-	-	(97,475)	(97,475)
Transfer to retained earnings		-	-	-	44	-	(44)	-
Total comprehensive income/(expense) for the year		-	-	-	44	-	(97,519)	(97,475)
Transactions with owners:								
Shares issued	24	-	11	-	-	-	-	11
IFRS 2 share based payments		-	-	-	-	110	(110)	-
Balance at 31 October 2023		13	989	(7)	-	294	(414,703)	(413,414)
Loss for the year		-	-	-	-	-	(135,579)	(135,579)
Total comprehensive expense for the year		-	-	-	-	-	(135,579)	(135,579)
Transactions with owners:								
Shares issued	24	10	978	-	-	-	-	988
IFRS 2 share based payments		-	-	-	-	110	(110)	-
Balance at 31 October 2024		23	1,967	(7)	-	404	(550,392)	(548,005)

Company statement of changes in equity
As at 31 October 2024

	Notes	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 October 2022		13	978	184	(39,872)	(38,697)
Loss for the year	26	-	-	-	(24,262)	(24,262)
Total comprehensive loss for year		-	-	-	(24,262)	(24,262)
Transactions with owners:						
Shares issued	24	-	11	-	-	11
IFRS 2 share based payments	25	-	-	110	(110)	-
Balance at 31 October 2023		13	989	294	(64,244)	(62,948)
Loss for the year	26	-	-	-	(36,829)	(36,829)
Total comprehensive loss for year		-	-	-	(36,829)	(36,829)
Transactions with owners:						
Shares issued	24	10	978	-	-	988
IFRS 2 share based payments	25	-	-	110	(110)	-
Balance at 31 October 2024		23	1,967	404	(101,183)	(98,789)

JLA Acquisitions Topco Limited

Consolidated cash flow statement
Year ended 31 October 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Net cash from operating activities	27	21,158	58,760
Interest paid		(40,602)	(24,899)
Taxation paid	28	(705)	(412)
Net cash (used in)/from operating activities		(20,149)	33,449
Cash flows used in investing activities			
Investing activities	28	(44,622)	(41,548)
Cash outflow before financing		(64,771)	(8,099)
Cash flows from financing activities			
Financing activities	28	86,172	13,443
Increase in cash in the year		21,401	5,344
Cash and bank balances brought forward		29,292	23,948
Cash and bank balances carried forward		50,693	29,292

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 17.

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 2024

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 October 2024 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 November 2024:
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

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

The following amendments are effective for the period beginning 1 November 2025:
- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The following amendments are effective for the period beginning 1 November 2026:
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7); and
- Contracts Referencing Nature dependent Electricity (Amendments to IFRS 9 and IFRS 7.

The following standards amendments are effective for the period beginning 1 November 2027:
- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

JLA Acquisitions Topco Limited is currently assessing the impact of these new accounting standards and amendments.

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 UK adopted International Financial Reporting 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 27 October and 3 November each year but are always reported as at 31 October (Friday 1 November 2024, Friday 27 October 2023 and Friday 28 October 2022).

Basis of consolidation

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

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.

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 two 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.

The Group has net liabilities of £548.0 million (2023: £413.4 million), recorded a loss after taxation from continuing activities of £135.6 million (2023: £97.5 million) and recorded a net cash inflow of £21.4 million (2023: £5.3 million net cash inflow). Funding is provided to the company through external borrowings.

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 an asset or a 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.

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.

3. Accounting policies (continued)

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
Technology	-	6 years straight-line
Brand name	-	15 years straight-line
Software	-	5 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	-	over life of the lease
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 and interest rate risk arising from changes in interest rates. 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.

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 SONIA.

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.

3. Accounting policies (continued)

Fair value hierarchy

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.

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.

Contract commissions asset

During the year, the Group has capitalised incremental sales commissions incurred in obtaining long term contracts. These commissions are recognised as non-current assets and current assets and will be recognised as an expense over the contract period.

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 the 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 the higher of recoverable amount or 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.

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

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.

Leases

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:

	2024 £'000	2023 £'000
Distribution and service - United Kingdom	83,346	81,030
Distribution and service - Overseas	4,362	229
Machine rental - United Kingdom	67,657	60,194
Machine rental - Overseas	1,576	1,059
Managed income - United Kingdom	44,211	43,264
Managed income - Overseas	1,998	1,686
	203,150	187,462

6. Loss before taxation

	2024 £'000	2023 £'000
Loss before taxation is stated after charging:		
Amortisation		
- intangible assets (note 13)	21,924	21,436
- goodwill impairment (note 12)	1,900	-
Cost of inventories recognised as an expense (note 17)	28,392	28,220
Depreciation of property, plant and equipment:		
- owned by the group (note 14)	17,069	15,764
- held as right-of-use assets (note 14)	4,448	3,900
Loss on sale of property, plant and equipment	2,733	4,377
Change in fair value of interest rate cap (note 22)	4,435	4,684
Separately disclosed items:		
- terminations	1,135	1,042
- integration	1,827	1,643
- fair value movement in deferred and contingent consideration	10	2,276
- legal and other costs	12,120	2,909
- strategic projects	2,019	2,367

Separately disclosed items comprise of the following:

- Terminations costs relate to redundancies arising from organisational changes, including any settlement payments, the costs of serving any notice periods, gardening leave and any related legal costs.
- Integration costs relate to one off costs associated with the acquisition and integration of new entities into the group, including legal & professional fees and consulting fees.
- Legal and other costs incurred as a result of organisational changes, acquisitions, shareholder costs and investments made in JLA's academy for trainee engineers.
- Strategic projects relate to investments made to drive future commercial and operational benefits. In the current year, the strategic projects spend largely relates to investments in JLA's digital capabilities.

7. Auditor's remuneration

	2024 £'000	2023 £'000
Fees payable to the company's auditor for the audit of the company's financial statements	15	14
Fees payable to the company's auditor for other services to the group		
The audit of the group and UK subsidiary financial statements	580	396
Total audit fees	595	410
Financial due diligence on acquisitions during the year	138	38
Total audit and non-audit services fees	733	448

8. Staff costs

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

	2024 £'000	2023 £'000
Wages and salaries	47,863	49,990
Social security costs	5,771	5,915
Other pension costs	1,787	1,718
	55,421	57,623

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

	2024 No.	2023 No.
Administration and management	146	166
Selling and production	947	914
Research and development	3	2
	1,096	1,082

9. Directors' remuneration

	2024 £'000	2023 £'000
Emoluments	1,471	1,104

During the period there were no retirement benefits accruing to any of the directors (2023: £nil). The highest paid director received remuneration of £911,000 (2023: £675,000).

Key management personnel comprise four executive directors of the company and the group's subsidiary companies (2023: four).

10. Finance costs

	2024 £'000	2023 £'000
Bank loans and overdrafts	71,526	43,340
Preference share debt	71,451	59,736
Interest on lease liabilities	1,361	746
Amortisation of financing costs	7,154	2,862
	151,492	106,684

11. Taxation

Analysis of tax charge/(credit) in the year	2024 £'000	2023 £'000
Current tax		
UK corporation tax charge on loss for the year of 25% (2023: 22.5%)	-	-
Overseas tax	146	58
Adjustments in respect of prior periods	-	2
Total current tax charge	146	60
Deferred tax (note 23)		
Origination and reversal of temporary differences	(18,245)	(10,585)
Effect of change in tax rate	-	-
Adjustments in respect of prior periods	(157)	23
Total deferred tax credit	(18,402)	(10,562)
Total tax credit on loss	(18,256)	(10,502)
Tax on loss is attributable to:		
Loss from continuing operations	(18,256)	(10,502)
	(18,256)	(10,502)

Tax credit included in other comprehensive income

	2024 £'000	2023 £'000
Deferred tax		
Origination and reversal of temporary differences	-	-

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 25%. The differences are explained below:

	2024 £'000	2023 £'000
Loss from continuing operations before tax	(153,835)	(107,977)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023: 22.5%)	(38,459)	(24,313)
Effects of:		
Expenses not deductible for tax purposes	19,946	14,601
Fixed asset differences	324	206
Rate change	-	(1,021)
Adjustments in respect of prior periods	(157)	25
Difference in overseas tax rates	90	-
Tax credit for the year	(18,256)	(10,502)

Factors that may affect future tax charges

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 2022	417,576
Additions arising from the acquisition of subsidiary undertakings (note 16)	6,954
At 31 October 2023	424,530
Additions arising from the acquisition of subsidiary undertakings (note 16)	7,829
Impairment	(1,900)
At 31 October 2024	430,459
Carrying amount	
At 31 October 2024	430,459
At 31 October 2023	424,530
At 31 October 2022	417,576

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.

12. Goodwill (continued)

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.

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.

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 13.6% for all 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 Group has recognised a Heating division part-impairment of £1.9 million in the year as a result of a revision to forecasted future revenues. The cash flow projections take into account recent performance, resulting in the recoverable amount derived for that CGU being lower than its previous carrying value. At the year end, the closing carrying amount of goodwill is £6.5 million (2023: £8.4 million) associated with the Heating division.

As noted above, the recoverable amount of the Heating division was determined to be lower than its carrying amount, resulting in the impairment of goodwill. The recoverable amount was based on a value in use model.

An increase in the discount rate by 0.5%, a decrease in the long-term growth rate by 0.5% or a decrease in gross margin by 0.5% would result in further impairments of £0.9m, £0.7m and £0.7m respectively, for the remaining goodwill allocated to the division.

The Catering 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 by 1.35% would be needed.

13. Intangible assets

Group	Contracts £'000	Customer relationships £'000	Technology £'000	Brand name £'000	Software £'000	Total £'000
Cost						
At 1 November 2022	125,801	41,227	718	50,497	7,690	225,933
Additions arising from acquisition	-	-	-	175	-	175
Additions	-	-	-	-	2,574	2,574
At 31 October 2023	125,801	41,227	718	50,672	10,264	228,682
Additions arising from acquisition	-	5,692	-	1,524	-	7,216
Additions	-	-	-	-	1,890	1,890
At 31 October 2024	125,801	46,919	718	52,196	12,154	237,788
Amortisation						
At 1 November 2022	48,128	14,486	504	14,167	4,957	82,242
Charge for the year	11,262	5,154	119	3,542	1,359	21,436
At 31 October 2023	59,390	19,640	623	17,709	6,316	103,678
Charge for the year	11,388	5,295	95	3,366	1,780	21,924
At 31 October 2024	70,778	24,935	718	21,075	8,096	125,602
Carrying amount						
At 31 October 2024	55,023	21,984	-	31,121	4,058	112,186
At 31 October 2023	66,411	21,587	95	32,963	3,948	125,004
At 31 October 2022	77,673	26,741	214	36,330	2,733	143,691

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.

JLA Acquisitions Topco Limited

Notes to the financial statements
Year ended 31 October 2024

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 2022	2,144	162	114,874	268	5,766	11,011	134,225
Additions arising from acquisition	-	-	25	-	-	-	25
Additions	-	22	29,623	17	372	9,981	40,015
Disposals	(3)	-	(8,659)	-	-	(2,197)	(10,859)
At 31 October 2023	2,141	184	135,863	285	6,138	18,795	163,406
Additions arising from acquisitions	-	18	311	115	86	1,500	2,030
Additions	7	-	27,125	-	770	3,592	31,494
Disposals	-	-	(6,594)	-	-	(2,441)	(9,035)
At 31 October 2024	2,148	202	156,705	400	6,994	21,446	187,895
Depreciation							
At 31 October 2022	159	34	31,193	229	3,723	4,545	39,883
Charge for the year	34	34	14,539	37	1,120	3,900	19,664
Disposals	-	-	(4,980)	-	-	(2,128)	(7,108)
At 31 October 2023	193	68	40,752	266	4,843	6,317	52,439
Charge for the year	34	36	16,064	24	911	4,448	21,517
Disposals	-	-	(3,600)	-	-	(1,760)	(5,360)
At 31 October 2024	227	104	53,216	290	5,754	9,005	68,596
Net book value							
At 31 October 2024	1,921	98	103,489	110	1,240	12,441	119,299
At 31 October 2023	1,948	116	95,111	19	1,295	12,478	110,967
At 31 October 2022	1,985	128	83,681	39	2,043	6,466	94,342

14. Property, plant and equipment (continued)

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

Group	2024 £'000	2023 £'000
The types of assets the cost of right-of-use assets relates to:		
Leasehold property	8,691	7,803
Motor vehicles	12,755	10,992
At 31 October	21,446	18,795
The types of assets the depreciation of right-of-use assets relates to:		
Leasehold property	2,674	1,864
Motor vehicles	6,331	4,453
At 31 October	9,005	6,317
The types of assets the carrying amount of right-of-use assets relates to:		
Leasehold property	6,017	5,939
Motor vehicles	6,424	6,539
At 31 October	12,441	12,478

The company has no property, plant and equipment.

15. Investments

Company	Shares in subsidiary undertakings £'000
Cost and net book value	
At 1 November 2022	10,485
At 31 October 2023	10,485
At 31 October 2024	10,485

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	Country	Registered office	Nature of business
JLA Acquisitions Jersey Holdco Limited	Jersey	IFC6, The Esplanade, St. Helier, JE4 0QH, Jersey	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	IFC6, The Esplanade, St. Helier, JE4 0QH, Jersey	Intermediate holding company
JLA New Debtco Limited	Jersey	IFC6, The Esplanade, St. Helier, JE4 0QH, Jersey	Intermediate holding company
JLA New Holdco Limited	Jersey	IFC6, The Esplanade, St. Helier, JE4 0QH, Jersey	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
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
JLA Fire & Security Limited			Installation and service of fire safety equipment
JLA HVAC Limited			Installation and service of heating equipment
Proton (Southern) Limited			Catering equipment supplier
Direct Catering Products Limited		Unit 25, Lodge Hill Industrial Park, Station Road, Wells, BA5 1EY	Catering equipment supplier
TFS Facilities Services Ltd			Other construction installation
ICS Group Midlands Limited			Other construction installation
Circuit Launderette Services (Ireland) Limited	Ireland	8 Harcourt Street, Dublin 2, D02 DK18	Supply of managed launderettes
Reliance Equipment Limited	Ireland	8 Harcourt Street, Dublin 2, D02 DK18	Laundry equipment supplier
Decat Distribution Limited	Ireland	8 Harcourt Street, Dublin 2, D02 DK18	Intermediate holding company
Brodericks Holdings Limited	Ireland	8 Harcourt Street, Dublin 2, D02 DK18	Intermediate holding company
Broderick Bros Limited	Ireland	8 Harcourt Street, Dublin 2, D02 DK18	Catering equipment supplier
Brodericks Food Equipment South Limited	Ireland	8 Harcourt Street, Dublin 2, D02 DK18	Catering equipment supplier
Laundry Total B.V.	Netherlands	Korte Spruit 25a, 7773NP, Hardenberg	Laundry equipment supplier

16. Subsidiaries (continued)

Indirectly held (continued)	**Country**	**Registered office**	**Nature of business**
T Jolly Facility Services Limited			Intermediate holding company
Atlas Services Holdings Limited			Intermediate holding company
Astral Total Limited			Dormant
FSW Holdings Limited			Intermediate holding company
DCSW Limited			Intermediate holding company
Atlas Sterile Services Limited			Dormant
Astral Fire and Security Limited			Dormant
Crystal Surface Limited			Dormant
MacDonald Martin Limited			Dormant
Firewatch South West Limited			Dormant
Fire Facilities Management Limited			Dormant
Ellesmere Group Limited			Dormant
Newcombustion Engineering Limited			Dormant
Trinity Heat Care Limited			Dormant
Ripponden 10 Limited			Dormant
Ripponden 11 Limited			Dormant
Ripponden 12 Limited			Dormant
Westwells (North West) Limited			Dormant
Newco Catering Equipment Limited			Dormant
Acer Equipment Limited			Dormant
Martin & Richards Limited			Dormant
Fire Bright Solutions Limited			Dormant
The Stanland Group Limited			Dormant
Washrite Limited			Dormant
Circuit Rentals Limited			Dormant
Wilson Electrics Limited			Dormant
William Whitfield Limited	Scotland	29 Hope Street, Motherwell, ML1 1BS	Dormant
Comcat Engineering Limited	Scotland	29 Hope Street, Motherwell, ML1 1BS	Dormant
20 20 Lifts & Escalators Ltd			Dormant
Mehvac Ltd			Dormant
Central Building Maintenance Ltd			Dormant

16. Subsidiaries (continued)

Acquisitions	**Reliance Equipment Limited**	**Laundry Total BV**	**Decat Distribution Limited**
	Book value & provisional fair value £'000	**Book value & provisional fair value £'000**	**Book value & provisional fair value £'000**
Identifiable intangible assets (note 13)	-	1,729	5,487
Property, plant and equipment (note 14)	126	310	433
Inventory	184	358	1,412
Financial assets	291	325	7,555
Financial liabilities	(328)	(882)	(4,821)
Deferred tax liability (note 23)	-	(446)	(676)
Total identifiable assets and liabilities	273	1,394	9,390
Goodwill (note 12)	1,510	2,826	3,493
Total consideration	1,783	4,220	12,883
Satisfied by:			
Cash consideration	1,443	2,303	9,807
Fair value of contingent consideration	340	1,917	3,076
Total consideration	1,783	4,220	12,883
Net cash outflow arising on acquisition:			
Cash consideration	1,443	2,303	9,807
Less: cash, overdraft, and cash equivalent balances acquired	(230)	(18)	(3,123)
	1,213	2,285	6,684

The group acquired 100% of the issued ordinary share capital and voting rights of Reliance Equipment Limited (1 November 2023), Laundry Total BV (5 September 2024) and Decat Distribution Limited on 16 October 2024 for cash consideration including a fair value estimate of the deferred contingent consideration eventually payable if criteria are met post-acquisition of £5,333,000. The acquisitions were selected to expand the company's International presence, as well as cross sell opportunities into existing JLA verticals.

The acquisition costs incurred and expensed to the consolidated income statement are presented within administrative expenses.

The goodwill arising on the acquisition noted above is principally considered to relate to:

- the value of the assembled workforce which is not separately identifiable;
- expected business synergies; and
- savings related to increased buying power with common suppliers.

17. Inventories

Group	31 October 2024 £'000	31 October 2023 £'000
Finished goods and goods for resale	23,326	18,243
Work in progress	53	201
	23,379	18,444

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 £1,797,000 (2023: £725,000).

No unutilised provision was reversed during the period.

18. Trade and other receivables

Group	31 October 2024 £'000	31 October 2023 £'000
Trade receivables	54,714	30,549
Allowance for expected credit losses (note 35)	(6,363)	(3,881)
	48,351	26,668
Other receivables	12,087	3,485
Prepayments	5,980	4,398
Contract commissions	200	180
	66,618	34,731
Group - non-current		
Contract commissions - non current	3,366	1,891

Company	31 October 2024 £'000	31 October 2023 £'000
Current		
Other receivables	989	2
Non-current		
Amounts owed by group undertakings – non current	559,634	504,737

18. Trade and other receivables (continued)

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.

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 87 days (2023: 52 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 2024 £'000	**31 October 2023 £'000**
Not past due	35,364	20,913
0-30 days	2,402	1,212
31-60 days	604	567
61-90 days	1,349	184
91 days and above	8,632	3,792
	48,351	26,668

Ageing of impaired receivables

	31 October 2024 £'000	**31 October 2023 £'000**
0-90 days	526	442
91+ days	5,837	3,439
	6,363	3,881

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 2024 £'000	31 October 2023 £'000
Current liabilities		
Trade payables	31,554	26,432
Social security and other taxes	5,382	9,045
Accruals	36,670	14,477
Deferred income	4,305	4,398
Other creditors	4,424	405
	82,335	54,757

The directors consider that the carrying amount of trade payables approximates to their fair value. Social security and other taxes includes contributions payable of £417,000 (2023: £273,000) arising from the group's defined contribution pension scheme.

Within accruals is contingent deferred consideration of £5,333,000 (2023: £4,340,000). During the year, £3,945,000 was paid.

Company	31 October 2024 £'000	31 October 2023 £'000
Current liabilities		
Amounts owed to group undertakings	7,720	2,441

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.

<u>Maturity analysis of lease liabilities</u>

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 2024 £'000	Motor vehicle leases 31 October 2024 £'000	Total leases 31 October 2024 £'000
Within one year	980	3,171	4,151
Within one to five years	3,385	3,989	7,374
Over five years	2,814	-	2,814
	7,179	7,160	14,339

20. Lease liabilities (continued)

Group	Property leases 31 October 2023 £'000	Motor vehicle leases 31 October 2023 £'000	Total leases 31 October 2023 £'000
Within one year	166	2,300	2,466
Within one to five years	2,803	4,755	7,558
Over five years	3,297	-	3,297
	6,266	7,055	13,321

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 2024 £'000	Motor vehicle leases 31 October 2024 £'000	Total leases 31 October 2024 £'000
Within one year	1,426	3,422	4,848
Within one to five years	4,408	3,981	8,389
Over five years	3,439	-	3,439
	9,273	7,403	16,676

Group	Property leases 31 October 2023 £'000	Motor vehicle leases 31 October 2023 £'000	Total leases 31 October 2023 £'000
Within one year	786	2,785	3,571
Within one to five years	4,757	5,098	9,855
Over five years	4,252	-	4,252
	9,795	7,883	17,678

The weighted average incremental borrowing rate applied to lease liabilities is 11.6% (2023: 11.4%) which is based on the weighted average external borrowing rate of the group.

	£'000
At 1 November 2023	13,321
Additions	3,631
Additions from acquisitions	1,566
Interest charged	1,361
Payments made	(4,808)
Disposals	(732)
At 31 October 2024	14,339

21. Borrowings

Group	31 October 2024 £'000	31 October 2023 £'000
Bank loans	613,472	519,466
Redeemable preference shares	662,346	575,897
	1,275,818	1,095,363

Company	31 October 2024 £'000	31 October 2023 £'000
Redeemable preference shares	662,346	575,897

Included within the above are amounts falling due as follows:

	31 October 2024 £'000	31 October 2023 £'000
Between two and five years		
Bank loans	-	519,466

	£'000	£'000
Over five years		
Bank loans	613,472	-
Redeemable preference shares	662,346	575,897
	1,275,818	575,897

The facilities comprise a £560 million 1st lien term loan repayable in June 2031, a £80 million ACF facility repayable in June 2031 and a £50 million revolving credit facility repayable on 15 February 2026.

The senior facilities term loans were drawn down in full. At 31 October 2024, the group had drawn down £25 million (2023: £40 million) of the ACF. At 31 October 2024, the group had utilised £29 million (2023: £50 million) of the revolving credit facility.

The term loan facilities are secured by fixed and floating charges over a number of the group's subsidiaries.

In the current year, the interest rate payable on all facilities is based on a margin above SONIA. During the prior year the Group purchased an interest rate cap (note 22). Under the terms of the interest rate cap, £325 million of the group's debt facilities were capped at a SONIA rate of 2.5% until April 2024.

At 31 October 2024, included within bank loans is an amount of £514,000 (2023: £7,140,000) in respect of unamortised loan costs. The loan costs are being written off over the period of the debt to which they relate to.

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. On 1 September 2023, 20,000,000 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. On 12 March 2024, 15,000,000 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 2024 £'000	31 October 2023 £'000
Derivatives that are carried at fair value		
Interest rate cap	-	4,435
Foreign exchange	66	-

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 2024 £'000	31 October 2023 £'000
Lloyds Bank Plc		
Derivative assets		
Interest rate cap	-	4,435
Foreign exchange	66	-

Interest rate cap

In April 2022, the group entered into an interest rate cap with a principal value of £325 million to hedge the financial risk of future interest rate rises. The specified period of the contract is the 24 months from April 2022 to April 2024. Post year end the group entered into another interest rate cap with a principal value of £390 million to hedge the financial risk of future interest rate rises. The specified period of the contract is from December 2024 to June 2026.

23. Deferred taxation

Group	31 October 2024 £'000	31 October 2023 £'000
Non-current deferred tax asset	44,929	31,488
Non-current deferred tax liability	(26,349)	(30,188)
	18,580	1,300

	£'000
At 1 November 2022	(9,207)
Adjustments arising from retrospective re-assessment	-
On acquisition of subsidiaries	(46)
Current period – income statement	10,562
Current period – other comprehensive income	-
Rate change	(9)
At 31 October 2023	1,300
Adjustments arising from retrospective re-assessment	-
On acquisition of subsidiaries	(1,122)
Current period – income statement	18,402
Current period – other comprehensive income	-
At 31 October 2024	18,580

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	Interest restrictions £'000	Other temporary differences £'000	Total £'000
As at 1 November 2022	12,715	(35,293)	-	13,334	-	37	(9,207)
On acquisition of subsidiaries	-	(46)	-	-	-	-	(46)
Rate change	-	-	-	-	-	(9)	(9)
Current period – income statement	2,202	5,151	-	361	2,856	(8)	10,562
Current period – other comprehensive income	-	-	-	-	-	-	-
As at 31 October 2023	14,917	(30,188)	-	13,695	2,856	20	1,300
On acquisition of subsidiaries	-	(1,122)	-	-	-	-	(1,122)
Rate change	-	-	-	-	-	-	-
Current period – income statement	2,092	4,989	-	3,176	8,193	(48)	18,402
Current period – other comprehensive income	-	-	-	-	-	-	-
As at 31 October 2024	17,009	(26,321)	-	16,871	11,049	(28)	18,580

Certain deferred tax assets and liabilities have been netted off as required by IAS12. The amount of non-current deferred tax asset disclosed on the face of the balance sheet after this set-off is £18,580,000 (2023: £1,300,000 non-current deferred tax asset).

Deferred tax assets totalling approximately £61,000 (2023: £61,000) have not been recognised on losses carried forward of £246,000 (2023: £246,000).

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

24. Share capital

	Share nominal £'000	Share premium £'000	Share capital £'000
Allotted, called up and fully paid at 31 October 2024			
190,000 A1 ordinary shares of £1 each (par value £0.01)	2	189	191
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
988,000 Growth shares of £1 each (par value £0.01)	10	978	988
	23	1,967	1,990

	Share nominal £'000	Share premium £'000	Share capital £'000
Allotted, called up and fully paid at 31 October 2023			
190,000 A1 ordinary shares of £1 each (par value £0.01)	2	189	191
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	989	1,002

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 (Thousands ('000s))	A1 ordinary shares	A2 ordinary shares	B1 ordinary shares	B2 ordinary shares	Growth shares	Total number of shares
At 31 October 2023	191	15	763	33	-	1,002
Issue of shares	-	-	-	-	988	988
At 31 October 2024	191	15	763	33	988	1,990

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 2024, there were 150,368 A ordinary shares awarded to employees (2023: 150,368 A ordinary shares).

During the year ended 31 October 2024 the group has recorded a share based payment charge of £110,000 (2023: £110,000).

For the ordinary shares awarded, management 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:

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
2021	20,000	130,368	-	-	150,368
2022	150,368	-	-	-	150,368
2023	150,368	-	-	-	150,368
2024	150,368	-	-	-	150,368

For the options granted during the previous financial years, 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
31/10/2020	3.59 years	£5.21	£1.05	38.91%	0%	0.41%
31/3/2021	3.59 years	£5.21	£1.05	38.91%	0%	0.41%
24/8/2021	3.19 years	£5.21	£1.05	39.08%	0%	0.27%

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	**2024 £’000**	**2023 £’000**
Operating profit	2,092	3,391
Fair value movement in deferred and contingent consideration payable	10	2,276
Amortisation and impairment of intangible assets and goodwill	23,824	21,436
Depreciation and impairment of property, plant and equipment	21,517	19,664
Loss on disposal of property, plant and equipment	2,733	4,377
(Increase)/decrease in inventories	(4,054)	5,116
Increase in receivables	(29,764)	(3,340)
Increase in payables	1,246	5,840
Increase in provisions	3,554	-
Net cash inflow from operations	21,158	58,760

The subsidiary undertakings acquired during the period contributed £0.4m (2023: £0.9m) to the group's net operating cash flows.

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

	2024 £'000	2023 £'000
Taxation		
Corporation tax paid	(705)	(412)
Investing activities		
Purchase of property, plant and equipment	(28,774)	(30,034)
Purchase of intangible software assets	(1,890)	(2,574)
Proceeds/(loss) on disposal of assets	106	(682)
Purchase of subsidiary undertakings (net of cash acquired) (note 16)	(10,182)	(5,660)
Deferred consideration settled	(3,882)	(2,598)
Net cash outflow from investing activities	(44,622)	(41,548)
Financing activities		
Debt		
New bank acquisition facility drawdown	585,650	-
Repayment of loan note	(509,142)	-
Capital repayment of lease liabilities	(4,808)	(4,401)
Refinancing fees	(528)	(2,156)
Proceeds from issue of shares	15,000	20,000
Net cash inflow from financing activities	86,172	13,443

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

	31 October 2023 £'000	Cash flow £'000	Acquisitions £'000	Non cash £'000	31 October 2024 £'000
Cash at bank and in hand	29,292	31,583	(10,182)	-	50,693
Debt					
Debt due within one year	-	-	-	-	-
Debt falling due after more than one year	(1,095,363)	(90,980)	-	(89,475)	(1,275,818)
Lease liabilities	(13,321)	4,808	(1,566)	(4,260)	(14,339)
	(1,079,392)	(54,589)	(11,748)	(93,735)	(1,239,464)

	31 October 2022 £'000	Cash flow £'000	Acquisitions £'000	Non cash £'000	31 October 2023 £'000
Cash at bank and in hand	23,948	11,004	(5,660)	-	29,292
Debt					
Debt due within one year	-	-	-	-	-
Debt falling due after more than one year	(998,005)	(17,843)	-	(79,515)	(1,095,363)
Lease liabilities	(7,034)	4,401	-	(10,688)	(13,321)
	(981,091)	(2,438)	(5,660)	(90,203)	(1,079,392)

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, non-cash interest charges and redeemable preference share interest.

31. Guarantees

A guarantee has been given by the group in favour of HMRC to a limit of £200,000. 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 £1,787,000 (2023: £1,718,000) were charged to the Consolidated Income Statement, there was £417,000 (2023: £273,000) outstanding at the year end in respect of this.

33. Acquisitions

The Group acquired Reliance Equipment Limited, on 1 November 2023, Laundry Total BV, on 5 September 2024 and Decat Distribution Limited on 16 October 2024 (note 16).

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 £360,000 (2023: £360,000) were charged to the group from its ultimate controlling party, Cinven Partners LLP. There was a balance payable of £90,000 (2023: £90,000) at the statement of financial position date. In addition, interest charged on the redeemable preference shares is disclosed in note 10.

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.

35. Financial instruments (continued)

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.

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 £560 million long term bank loan, a £80 million ACF facility and a £50 million revolving credit facility, to support its short and medium term liquidity needs (note 21).

Interest risk

The group's exposure to interest rate risk relates primarily to obligations on bank borrowings, which are based on SONIA. None of the group's borrowings at reporting date are at a fixed rate and there are no conditions in the senior funding agreement regarding fixing any portion of the interest risk

At the reporting date, the sensitivity to a reasonable possible change (+/– 0.5%) in the SONIA rates would equate to a £3.1 million (2023: £2.6 million) annual post tax profit or loss. During 2022, the Group purchased an interest rate cap (note 22). Under the terms of the interest rate cap, £325 million of the group's debt facilities were capped at a SONIA rate of 2.5% until April 2024.

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 2024		31 October 2023	
	US Dollars $'000	Euros €'000	US Dollars $'000	Euros €'000
Trade receivables	-	251	-	347
Trade payables	(2,062)	(3,963)	(1,596)	(3,888)
Bank	209	954	3,171	415
Balance sheet exposure	(1,853)	(2,758)	1,575	(3,126)

The following exchange rates applied during the year:

	2024 Average rate	2023 Average rate
US Dollar	1.21	1.19
Euro	1.15	1.16

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.

35. Financial instruments (continued)

Credit risk

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

Group	2024 £'000	2023 £'000
At 31 October	3,881	3,149
Used in the year	(1,114)	(473)
Created in the year	3,596	1,205
At 31 October	6,363	3,881

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

Group	31 October 2024 £'000	31 October 2023 £'000
Trade receivables	48,351	26,668
Cash and cash equivalents	50,693	29,292
	99,044	55,960

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.

Fair value hierarchy

As at 31 October 2024, the group held the following financial instruments carried at fair value in the statement of financial position:

Foreign exchange forward contracts and interest rate cap

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.

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 2024		As of 31 October 2023	
Financial assets	**Group £'000**	**Company £'000**	**Group £'000**	**Company £'000**
Current				
Cash and bank balances	50,693	169	29,292	166
Trade and other receivables	66,930	989	30,153	2
Non-current				
Amounts owed by group undertakings	-	559,634	-	504,737
Derivative financial instruments	66	-	4,435	-
Total financial assets	117,689	560,792	63,880	504,905
Financial liabilities				
Current				
Trade and other payables	(76,953)	(7,720)	(45,712)	(2,441)
Lease liabilities	(3,576)	-	(2,466)	-
Non-current				
Interest bearing loans and borrowings	(1,275,818)	(662,346)	(1,095,363)	(575,897)
Lease liabilities	(10,763)	-	(10,855)	-
Total financial liabilities	(1,367,110)	(670,066)	(1,154,396)	(578,338)

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.