

Completed acquisition by Vanilla Group Limited of Washstation Limited

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 13 December 2017

The Initial Enforcement Order (IEO) made by the Competition and Markets Authority (CMA) on 13 December 2017, provides that, except with the prior written consent of the CMA, Vanilla Group Limited (Vanilla) and JLA New Equityco Limited (JLA) shall not take any action which might prejudice a reference under section 22 of the Enterprise Act 2002 (the Act) or impede the taking of any remedial action under the Act by the CMA which may be justified by the CMA's decisions on such a reference.

By letter dated 3 July 2018, JLA requested the CMA to grant a derogation to engage in negotiations with [X], which had acquired [X] site, which was formerly occupied by [X] (the Site). Washstation Limited (Washstation) had a contract to supply managed laundry services to [X] at the Site.

On the basis of the information provided by JLA that:

- (a) [X] has ceased its activities at the Site and subsequently sold it;
- (b) [X] is an existing customer of JLA and has indicated to JLA that it wishes to retain the laundry room at the Site and re-open the facility;
- (c) [X], having acquired the Site, would be able to start a new negotiation process or tender for a new contract for the Site regardless of the Transaction;

the CMA grants a derogation from paragraphs 4, 5(a), (e) and (g) of the IEO to allow JLA to enter into negotiations with [X] to supply managed laundry services at the Site.

This derogation is granted on the condition that:

- (a) In the event that [X] enters into a contract with JLA pursuant to the negotiations, JLA shall return to Washstation, or pay compensation to Washstation for, any laundry equipment supplied by Washstation under its contract with [X] which remains on the Site;
- (b) Washstation shall not be prevented from also seeking to enter into negotiations with [X] to supply managed laundry services at the Site.

Stuart McIntosh
Inquiry Group Chair
12 July 2018