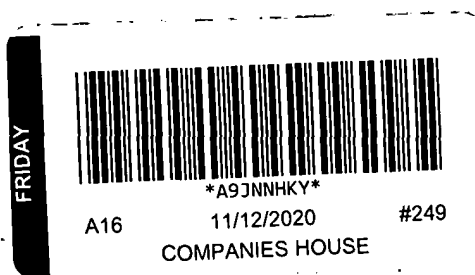


RENTOKIL INITIAL (1896) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



RENTOKIL INITIAL (1896) LIMITED
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COMPANY INFORMATION

Directors	D P F Fagan J E Hauck (resigned 30 September 2019) P M Haughey (appointed 30 September 2019, resigned 31 August 2020) J K Hampson (appointed 1 September 2020)
Company secretary	C J Stead
Registered number	49855
Registered office	Riverbank Meadows Business Park Camberley Surrey GU17 9AB
Independent auditor	KPMG LLP Chartered Accountants & Statutory Auditor 15 Canada Square London E14 5GL

RENTOKIL INITIAL (1896) LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report to the members of Rentokil Initial (1896) Limited	4 - 8
Statement of Comprehensive Income	9
Balance Sheet	10 - 11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 40

RENTOKIL INITIAL (1896) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their annual report, together with the audited financial statements of the Company for the year ended 31 December 2019.

Business review

The results for the year are set out in the statement of comprehensive income on page 9.

During the year the Company made a profit after tax of £16,572,000 (2018: £12,176,000). The Company has net assets of £1,209,652,000 (2018: £1,193,242,000), and has net current assets of £66,256,000 (2018: £56,198,000). The Directors are satisfied that the Company is a going concern and has sufficient funds to meet its liabilities as they fall due.

Principal risks and uncertainties

The directors of Rentokil Initial plc manage the risks of the Group at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Rentokil Initial plc 2019 Annual Report, which does not form part of this report.

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



J K Hampson
Director

Date: 8 December 2020

RENTOKIL INITIAL (1896) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The profit for the year, after taxation, amounted to £16,572,000 (2018 - £12,176,000).

No interim dividend was paid (2018: £nil). The directors do not recommend the payment of a final dividend for 2019 (2018: £nil).

COVID-19

In early 2020 a global pandemic of a new coronavirus (COVID-19) arose. While the Company is not directly affected by the pandemic, areas of operation of Rentokil Initial plc and its subsidiaries ("the Group"), of which the Company is a member, have been.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

The directors understand that Rentokil Initial plc does not intend to seek repayment of intercompany loans for the period covered by the forecast. Similarly, they do not envisage other group subsidiaries to recall their loans during this period. As with any company placing reliance on other group entities, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, there is no reason to believe that it will not do so.

RENTOKIL INITIAL (1896) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Directors

The Directors who served during the financial year were:

D P F Fagan

J E Hauck (resigned 30 September 2019)

P M Haughey (appointed 30 September 2019, resigned 31 August 2020)

Future developments

The directors do not intend, at the date of this report, that there will be any major changes in the Company's activities in the next year.

Disclosure of information to auditor

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

- so far as 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 ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 1 May 2020 the Company redeemed its perpetual debentures at par value.

Auditor

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

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



C J Stead
Secretary

Date: 8 December 2020

RENTOKIL INITIAL (1896) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENTOKIL INITIAL (1896) LIMITED

1 Our opinion is unmodified.

We have audited the financial statements of Rentokil Initial (1896) Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes, including a summary of significant accounting policies.

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 "*Reduced Disclosure Framework*"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders in August 2009. The period of total uninterrupted engagement is for the ten financial years ended 31 December 2019. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters unchanged from 2018, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

RENTOKIL INITIAL (1896) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENTOKIL INITIAL (1896) LIMITED

	The risk	Our response
Recoverable amount of investments in subsidiary undertakings, Investments (£1,148 m (2018: £1,148 m)).	Forecast-based valuation The carrying amount of the Company's investments in subsidiaries represents 54% (2018: 54%) of the Company's total assets. We consider that generally recoverability of investments is area of significant judgements and estimates which was identified as a significant risk. There were also some investments impaired in the past that need to be assessed whether further impairment loss needs to be provided or there are any reversals of impairment. Therefore, this is considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our Company audit.	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Test of details: Comparing the carrying amounts of the investments with the relevant subsidiaries' audited balance sheets to identify whether their net assets, being an approximation of the minimum recoverable amount, were in excess of their carrying amounts and assessing whether the subsidiaries have historically been profit-making. • Under certain circumstances where the carrying value exceeds the net assets, assessing the discounted cash flow model used to determine the recoverable amount of the investments by: <ol style="list-style-type: none"> 1. Our experience: Evaluating assumptions used, in particular those relating to forecast revenue growth and operating profit margins, reflect our knowledge of the business and industry, including known or probable changes in the business environment and industry 2. Benchmarking assumptions: Comparing the Company's assumptions to externally derived data in relation to key inputs such as long-term growth rates and discount rates; 3. Sensitivity analysis: Performing sensitivity analysis over the key assumptions noted above. <p>Our results: We found the Company's assessment of the recoverability of the investment in subsidiaries to be acceptable.</p>

RENTOKIL INITIAL (1896) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENTOKIL INITIAL (1896) LIMITED

3 Our application of materiality and an overview of the scope of our audit

Materiality for the company financial statements as a whole was set at £21.4m (2018: £21.3m), determined with reference to a benchmark of the Company total assets as at 31 December 2019 of which it represents 1% (2018: 1%).

We agreed to report any corrected or uncorrected identified misstatements exceeding £1.068m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

4 We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over the period was the increased risk of rising interest rates impacting future debt costs.

As this was a risk that could potentially cast significant doubt on the Company's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Company's financial forecasts taking account of reasonably possible (but no unrealistic) adverse effects that could arise from this risk and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risk materialize.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on the strategic report and the Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

- Our responsibility is to read the strategic report and the Director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial

RENTOKIL INITIAL (1896) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENTOKIL INITIAL (1896) LIMITED

statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

In our opinion those reports have been properly prepared in accordance with the Companies Act 2006.

6 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 2, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards, and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our

RENTOKIL INITIAL (1896) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENTOKIL INITIAL (1896) LIMITED

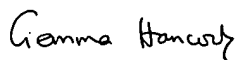
procedures on the related financial statement items

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gemma Hancock (Senior statutory auditor)

for and on behalf of

KPMG LLP

Chartered Accountants
Statutory Auditor

15 Canada Square
London
E14 5GL

8 December 2020

RENTOKIL INITIAL (1896) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Administrative income		-	533
Other operating income	4	-	79
Operating profit	5	-	612
Income from fixed assets investments	7	5,801	5,841
Interest receivable and similar income	8	12,369	7,005
Interest payable and expenses	9	(239)	(1,268)
Profit before tax		17,931	12,190
Tax on profit	10	(1,359)	(14)
Profit for the financial year		16,572	12,176
Other comprehensive income:			
Deferred tax on actuarial gain		38	(41)
Actuarial gain (loss) for the year		(200)	239
		(162)	198
Total comprehensive income for the year		16,410	12,374

The notes on pages 13 to 40 form part of these financial statements.

RENTOKIL INITIAL (1896) LIMITED
REGISTERED NUMBER: 49855

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	11	1,148,142	1,148,142
		<u>1,148,142</u>	<u>1,148,142</u>
Current assets			
Debtors: amounts falling due after more than one year	13	433	15,069
Debtors: amounts falling due within one year	13	975,953	956,921
Cash at bank and in hand	14	11,412	12,099
		<u>987,798</u>	<u>984,089</u>
Creditors: amounts falling due within one year	15	(921,542)	(927,891)
Net current assets		<u>66,256</u>	<u>56,198</u>
Total assets less current liabilities		<u>1,214,398</u>	<u>1,204,340</u>
Creditors: amounts falling due after more than one year	16	(992)	(992)
Other provisions	19	(1,445)	(7,893)
Net assets excluding pension liability		<u>1,211,961</u>	<u>1,195,455</u>
Pension liability	21	(2,309)	(2,213)
Net assets		<u>1,209,652</u>	<u>1,193,242</u>
Capital and reserves			
Called up share capital	20	243,416	243,416
Other reserves		92,500	92,500
Profit And Loss Account		873,736	857,326
		<u>1,209,652</u>	<u>1,193,242</u>

RENTOKIL INITIAL (1896) LIMITED
REGISTERED NUMBER: 49855

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J K Hampson
Director

Date: 8 December 2020

The notes on pages 13 to 40 form part of these financial statements.

RENTOKIL INITIAL (1896) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
Comprehensive income for the year				
Profit for the year	-	-	12,176	12,176
Deferred tax on actuarial gain	-	-	(41)	(41)
Actuarial gain for the year	-	-	239	239
Other comprehensive income for the year	-	-	198	198
Total comprehensive income for the year	-	-	12,374	12,374
At 1 January 2019	243,416	92,500	857,326	1,193,242
Profit for the year	-	-	16,572	16,572
Deferred tax on actuarial gain	-	-	38	38
Actuarial loss for the year	-	-	(200)	(200)
Other comprehensive income for the year	-	-	(162)	(162)
Total comprehensive income for the year	-	-	16,410	16,410
At 31 December 2019	243,416	92,500	873,736	1,209,652

The notes on pages 13 to 40 form part of these financial statements.

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Rentokil Initial 1896 Limited is a company incorporated in England and Wales and domiciled in the United Kingdom. The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. The Company is a wholly owned subsidiary of Rentokil Initial plc Group ("the Group") and operates as part of the Group's central division.

The Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The presentation currency used is sterling and amounts have been presented in round thousands (£000).

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

The directors understand that Rentokil Initial plc does not intend to seek repayment of intercompany loans for the period covered by the forecast. Similarly, they do not envisage other group subsidiaries to recall their loans during this period. As with any company placing reliance on other group entities, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, there is no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 16

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

On transition to IFRS 16, the Company elected to apply the following practical expedients:

- the Company has not reassessed contracts that were not identified as leases under IAS 17 and IFRIC 4 to determine whether these is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or modified on or after 1 January 2019.
- for leases previously classified as operating leases under IAS 17 -
- the Company has applied a single discount rate to a portfolio of leases with similar characteristics.
- the Company has used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Financial instruments (continued)

expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.15 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. [Provide an explanation how the incremental borrowing rate is determined].

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Leases (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note .

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The only estimate and assumptions that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

(a) Impairment of investments

The Company is required to test for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. An impairment test was carried out in 2019 and no investments were found to be impaired.

4. Other operating income

	2019	2018
	£000	£000
Other operating income	-	79
	<hr/>	<hr/>
	-	79
	<hr/> <hr/>	<hr/> <hr/>

There was no operating income in 2019. The operating income in 2018 relates to an escrow arrangement on an onerous lease.

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Operating profit

There was no operating profit for 2019 (2018: £533,000, provision adjustment of £547,956, as well as other miscellaneous expenses of £15,286).

There is no charge to the profit and loss account for auditor's remuneration as the costs of the Company's audit are borne by another group company. The audit fee for the year ended 31 December 2019 was £2,250 (2018: £2,250). There are no other fees payable to KPMG LLP. (2018: £NIL).

6. Employees

The Company has no employees (2018: NIL). The directors received no emoluments or fees in respect of qualifying services to the Company, nor did they have any retirement benefits accruing to them under defined benefit pension schemes (2018: NIL).

7. Income from investments

	2019 £000	2018 £000
Dividends received from unlisted investments	5,801	5,841
	5,801	5,841

8. Interest receivable

	2019 £000	2018 £000
Interest receivable from group companies	6,731	6,951
Other interest receivable	5,638	54
	12,369	7,005

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Interest payable and similar expenses

	2019	2018
	£000	£000
Bank interest payable	-	12
Discount unwind on provision	3	38
Finance leases and hire purchase contracts	79	79
Interest on lease liabilities	125	-
Other interest payable	32	1,139
	<u>239</u>	<u>1,268</u>

10. Taxation

	2019	2018
	£000	£000
Corporation tax		
Current tax on profits for the year	690	-
Adjustments in respect of previous periods	688	-
	<u>1,378</u>	<u>-</u>
Total current tax	<u>1,378</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	25	14
Changes to tax rates	(44)	-
Total deferred tax	<u>(19)</u>	<u>14</u>
Taxation on profit	<u>1,359</u>	<u>14</u>

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	17,931	12,190
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	3,407	2,316
Effects of:		
Utilisation of tax losses	(1,490)	-
Adjustments to tax charge in respect of prior periods	644	-
Income not subject to tax	78	-
Disallowable expenses	1	5
Non taxable UK dividend income	(1,102)	(1,110)
Movement in provisions on which no deferred tax has been provided	(179)	(218)
Group relief	-	(979)
Total tax charge for the year	1,359	14

Factors that may affect future tax charges

It was announced in the UK Budget 2020, that the proposed reduction in the UK corporation tax rate from 19% to 17%, which was due to come into force from 1 April 2020 as enacted in UK law at the Balance Sheet date, would be cancelled.

As a result, the UK tax rate remains at 19%. The UK deferred tax asset at 31 December 2019 has been calculated based on the corporation tax rate that is expected to apply when the asset is realised.

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	1,148,142
At 31 December 2019	<u>1,148,142</u>

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Fixed asset investments (continued)

12. Related undertakings

The following were the direct and indirect related undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Registered office
Anzak Landscapes Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
AW Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
BET Environmental Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
B.E.T. Building Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
BET (No.18) Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
BET (No.68) Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Cannon Hygiene Framework Ltd	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
BET Pension Trust Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
BPS Offshore Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Fixed asset investments (continued)

Broadcast Relay Service (Overseas) Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Castlefield House Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Chard Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Dudley Industries Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Enigma Laundries Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Enigma Services Group Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Enviro-Fresh Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Euroguard Technical Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Grayston Central Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Hometruster Kitchens Limited	UK	Ordinary	25%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Hometrust Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Industrial Clothing Services Limited	UK	Ordinary	100%	The Ca'D'Oro, 45 Gordon Street, Glasgow, G1 3PE
Initial Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Environmental Contract Services Ltd	UK	Ordinary	100	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Opel Transport & Trading Company Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Peter Cox Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Plant Nominees Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Prokill (UK) Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Prokill Limited	UK	Ordinary A Ordinary B Ordinary C Ordinary D	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Dormant (No. 6) Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
RI Dormant No.12 Limited	UK	Ordinary	100%	1 George Square, G2 1AL Glasgow

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Fixed asset investments (continued)

Rentokil Initial (1993) Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Property Care Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Initial Asia Pacific Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Pest Protection Services (Scotland) Limited Uk	UK	Ordinary	100%	The Ca'D'Oro, 45 Gordon Street, Glasgow, G1 3PE
Pest Protection Services (East) Limited	UK	Ordinary	100%	The Ca'D'Oro, 45 Gordon Street, Glasgow, G1 3PE
Cannon Hygiene Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Initial Investments South Africa	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Initial Pension Trustee Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Initial Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Initial UK Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rapid Washrooms Ltd	UK	Ordinary	100	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Rentokil Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Overseas Holdings Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Rentokil Property Holdings Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
RI Dormant No.18 Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
RI Dormant No.20 Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Stratton House Leasing Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Target Express Holdings Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Target Express Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Target Express Parcels Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
TEB Cleaning Services Limited	UK	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Wise Property Care Limited	UK	Ordinary	100%	The Ca'D'Oro, 45 Gordon Street, Glasgow, G1 3PE

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Ant-Eater Environmental Services Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Knock Out Pest Control Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Knock Out National Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Pest Away Australia Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Australia Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Initial Asia Pacific Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Initial Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Pest Control (QLD) Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Copes Pest Control Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Green Fingers Plant Hire Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Pest Holdings Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Pest Services Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Samson Hygiene Services Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Cannon Hygiene Australia Pty Limited	Australia	Ordinary	100%	Unit A1, Lidcombe Business Park, 3- 29 Birnie Avenue
Rentokil Initial GmbH	Austria	Ordinary	100%	Brown-Boveri- Straße 8/2/8, 2351, Wiener Neudorf
Ambius N.V.	Belgium	Ordinary	100%	Ingberthoeveweg, 17, Aartselaar 2630

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Rentokil N.V.	Belgium	Ordinary	100%	Ingberthoeveweg, 17, Aartselaar 2630
Residex Canada Inc	Canada	Common	100%	8699 Escarpment Way, Milton
Rentokil Canada Corporation	Canada	Class A Class B	100%	8699 Escarpment Way, Milton
Direct Line Sales Ltd	Canada	Class A	100%	3325 North Service Road, Burlington
Rentokil Initial s.r.o	Czech Republic	Ordinary	100	Praha 2, Vyšehradská 1349/2, Prague PS 12800, Czech Republic
Rentokil Initial A/S	Denmark	Ordinary	100%	Paul Bergsøes Vej 22, 2600 Glostrup
Rentokil Initial Oy	Finland	Ordinary	100%	Valuraudankuja 3, 00700 Helsinki
CAFI SAS	France	Ordinary	100%	6 Rue Livio, 67100 Strasbourg
CAWE FTB Group SAS	France	Ordinary	100%	6 Rue Livio, 67100 Strasbourg
Medicline SAS	France	Ordinary	100%	34, rue du Général Malleret, 94400 Joinville, VITRY SUR
Ambius SAS	France	Ordinary	100%	13-27 avenue Jean Moulin, 93240, Stains
Rentokil Initial Environmental Services SAS	France	Ordinary	100%	13-27 avenue Jean Moulin, 93240, Stains
Rentokil Initial SAS	France	Ordinary	100%	13-27 avenue Jean Moulin, 93240, Stains
Initial SAS	France	Ordinary	100%	145, rue de Billancourt, 92100 Boulogne Billancourt
Rentokil Initial Holdings (France) SA	France	Ordinary	100%	145, rue de Billancourt, 92100 Boulogne Billancourt
SCI Gravigny	France	Ordinary	100%	145, rue de Billancourt, 92100 Boulogne Billancourt
SCI Vargan	France	Ordinary	100%	145, rue de Billancourt, 92100 Boulogne Billancourt

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Technivap SAS	France	Ordinary	100%	Z.A. des Quatre Chemins, BP 21, 95540 Mery-sur-Oise
Agronet SAS	France	Ordinary	100%	259 Rue de la République, 76120 Le Gran Quevilly
IH Services SAS	France	Ordinary	100%	145, rue de Billancourt, 92100 Boulogne Billancourt
Rentokil Initial Hellas EPE	Greece	Ordinary	100%	7 Aristotelous Street, Tavros, Athens 177 78
Rentokil Hong Kong Investment Limited	Hong Kong	Ordinary	100%	23/F Westin Centre, 26 Hung To Rd, Kwun Tong
Rentokil Initial Hong Kong Limited	Hong Kong	Ordinary	100%	23/F Westin Centre, 26 Hung To Rd, Kwun Tong
Rentokil Initial Hygiene India Private Limited	India	Ordinary	100%	2nd floor, Narayani, Ambabai Temple Compound, Aarey Road, Goregaon (West), Mumbai 400062
PCI Pest Control Private Limited	India	Ordinary	57%	Villa No.3, Crescent Village, Candolim, Goa, 403515
Rentokil India Private Limited	India	Ordinary	57%	No. 105, 4th Floor, Sreela Terrace, 1st Main Road, Gandhi Nagar, Adyar, Chennai
Corporate Millenium Hygiene Solutions Private Ltd	India	Ordinary	100%	Ground Floor, Gala No 4 Bldg No 18.b, Sagedpool, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra
PT Wesen Indonesia	Indonesia	Ordinary	100%	Gedung JDC Lt.6, Jl. Gatot Subroto Kav. 53 Petamburan, Tanah Abang, Jakarta, Pusat

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Rentokil Initial Lesotho (Pty) Limited	Lesotho	Ordinary	100%	No 7 Arrival Centre, Kofi Annan Road, Maseru
R-Control Désinfections SA	Luxembourg	Ordinary	100%	Rue de la Chapelle 47, 4967 Clemency
Rentokil Luxembourg Sàrl	Luxembourg	Ordinary	100%	Rue de la Chapelle 47, 4967 Clemency
Balance Urbano Control de Plagas SA de CV	Mexico	Ordinary	100%	Juan Álvarez 482, Centro, 64000 Monterrey, N.L.
Rentokil Initial Mozambique Limitada	Mozambique	Ordinary	100%	Avenida da Namaacha, kilometro 6, Residencial Mutateia, Cidade da Matola
Ambius BV	Netherlands	Ordinary	100%	Impact 6, 6921 RZ Duiven
BET Finance BV	Netherlands	Ordinary	100%	Oude Middenweg 75, 2491 AC Den Haag1191 BN Ouderkerk, Den Haag
BET (Holdings) V BV	Netherlands	Ordinary	100%	Oude Middenweg 75, 2491 AC Den Haag1191 BN Ouderkerk, Den Haag
BET (Properties) BV	Netherlands	Ordinary	100%	Oude Middenweg 75, 2491 AC Den Haag1191 BN Ouderkerk, Den Haag
Rentokil Initial International BV	Netherlands	Ordinary	100%	Oude Middenweg 75, 2491 AC Den Haag1191 BN Ouderkerk, Den Haag
Rentokil Initial BV	Netherlands	Ordinary	100%	Ravenswade 54-S, 3439, Nieuwegein, LD
Holland Reconditionering BV	Netherlands	Ordinary	100%	Frontstraat 1a, 5405 AK, Uden
BV Rentokil Funding	Netherlands	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Rentokil Initial Overseas (Holdings) BV	Netherlands	Ordinary	100%	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey
Pest Control Services Europe BV	Netherlands	Ordinary	100%	Oude Middenweg 75, 2491 AC Den Haag 1191 BN Ouderkerk, Den Haag
Rentokil Initial Norge AS	Norway	Ordinary	100%	Frysjaeveien 40, Postboks 24 Okern, Oslo 0508
Rentokil Initial China Limited	People's Republic of China	Ordinary	100%	Room 623-624, No. 27 Middle of the Northern Sanhuan street, Xi Cheng District, Beijing
Cleanstation S.A	Portugal	Ordinary	100%	Zona Industrial da Aveleda Park, Rua 1 de Maio, n40, 4485-010 Aveleda VCD
Rentokil Initial Portugal – Serviços de Protecção Ambiental Lda	Portugal	Ordinary	100%	Complexo Industrial de Vialonga, Fraccao C-1 e C-21, Granja Alpriate 2626-501, Vialonga
Rentokil Initial Holdings (Ireland) Limited	Republic of Ireland	Ordinary	100%	Hazel House, Millennium Park, Naas, County Kildare
Rentokil Saudi Arabia Limited (JV)	Saudi Arabia	Ordinary	60%	PO Box 30164, Office No. 401, 4th Floor, Al Tamimi Building, Al Khobar, North Al Khobar
Rentokil Initial Singapore Private Limited	Singapore	Ordinary	100%	No. 16 & 18 Jalan Mesin
Pestterminator Pte Limited	Singapore	Ordinary	100%	No. 16 & 18 Jalan Mesin
Rentokil Initial Asia Pacific Management Pte Limited	Singapore	Ordinary	100%	No. 16 & 18 Jalan Mesin
Rentokil Initial s.r.o	Slovakia	Ordinary	15%	Kopcianska 10, 851 01 Bratislava

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Fixed asset investments (continued)

Rentokil Initial (Proprietary) Limited	South Africa	Ordinary	100%	2 Stignant Road, Claremont
Rentokil Initial (Dikapi) JV Pty Limited	South Africa	Ordinary	59%	2 Stignant Road, Claremont
Cannon Hygiene (SA) Proprietary Limited	South Africa	Ordinary	100%	Unit D12 Connaught Park, Riely Road, Beaconvale, Parow, 7000
RI Swaziland (Pty) Limited	Swaziland	Ordinary	100%	Umkhiwa House, Lot 195, Kal Grant Street, Mbabane
Ambius AB	Sweden	Ordinary	100%	Avestagatan 61, 163 53 Spånga
Rentokil AB	Sweden	Ordinary	100%	Avestagatan 61, 163 53 Spånga
Sweden Recycling AB	Sweden	Ordinary	100%	Avestagatan 61, 163 53 Spånga
Rent a Plant Interessenter AB	Sweden	Ordinary	100%	Avestagatan 61, 163 53 Spånga
PreventiQ AB	Sweden	Ordinary	100%	Verkstadsvagen 3, 24534, Staffanströps
Rentokil Schweiz AG	Switzerland	Ordinary	100%	Hauptstrasse 181, 4625 Oberbuchsiten
Initial Hygiene Co Limited	Taiwan	Ordinary	100%	7F, No.56, Lane 258, Rueiguang Rd, Neihu District, Taipei, 114 Taiwan, Province of China
Rentokil Ding Sharn Co Limited	Taiwan	Ordinary	100%	7F, No.56, Lane 258, Rueiguang Rd, Neihu District, Taipei, 114 Taiwan, Province of China
Rentokil Initial (Thailand) Limited	Thailand	Ordinary	100%	160 Vibhavadi Rangsit Road, Khwaeng Dindaeng, Khet Dindaeng, Bangkok 10400
Cannon Pest Management Co Ltd	Thailand	Ordinary	100	No 234 Soi Sukhumvit 101 (Punnavithi), Sukh umvit Road, Bangc hak Sub- district, Prakanong District, Bangkok

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Fixed asset investments (continued)

CAP Tunis	Tunisia	Ordinary	100%	Zone Industrielle route de Moknine, 5080 Teboulba
National Pest Control LLC	United Arab Emirates	Ordinary	100%	Office no 523, Oud Metha Office, Oud Metha
Rentokil Initial Pest Control LLC	United Arab Emirates	Ordinary	100%	1001 & 1009 Tameem, House Tecom, Dubai
Longgo LLC	United States	Ordinary	100%	The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware
Anza LLC	United States	Ordinary	100%	The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware
Asiatic Holdings LLC	United States	Ordinary	100%	1780 Corporate Drive, STE 440 Nocross, GA
Asiatic Investments Inc	United States	Ordinary	100%	PO Box 4510, 10 Free Street, Portland, ME

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Debtors

	2019	2018
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	-	14,693
Deferred tax asset	433	376
	<u>433</u>	<u>15,069</u>
	2019	2018
	£000	£000
Due within one year		
Amounts owed by group undertakings	975,623	955,994
Other debtors	330	927
	<u>975,953</u>	<u>956,921</u>

Amounts owed by group undertakings are made up of interest-bearing and interest-free loans. The interest-bearing loans of £89,457,774, (2018: £81,009,853) have an effective interest rate ranging from 4.905% - 9.500% (2018: 4.905% - 8.509%). Interest-free loans are unsecured and repayable on demand.

14. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	11,412	12,099
Less: bank overdrafts	-	(227)
	<u>11,412</u>	<u>11,872</u>

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Bank overdrafts	-	227
Trade creditors	16	14
Amounts owed to group undertakings	917,757	926,731
Lease liabilities	2,670	-
Accruals and deferred income	1,099	919
	<u>921,542</u>	<u>927,891</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

16. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Debentures loans	992	992
	<u>992</u>	<u>992</u>

RENTOKIL INITIAL (1896) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. Leases

Company as a lessee

The Company leases land and buildings. The lease durations vary from lease to lease according to the asset leased. On 31 December 2018 the operating lease commitments were £6,301. After the effect of discounting the opening lease liability on transition to IFRS 16 on 1 January 2019 was £6,145.

Lease liabilities are due as follows:

	2019 £000
Not later than one year	2,670
	<u>2,670</u>

Contractual undiscounted cash flows are due as follows:

	2019 £000
Not later than one year	2,700
	<u>2,700</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2019 £000
Interest expense on lease liabilities	<u>125</u>

18. Deferred taxation

	2019 £000	2018 £000
At beginning of year	376	431
Charged to the profit or loss	19	(14)
Taken to reserves	38	(41)
At end of year	<u>433</u>	<u>376</u>

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019	2018
	£000	£000
Other timing differences	433	376
	<u>433</u>	<u>376</u>

19. Provisions

	Vacant property provision £000
At 1 January 2019	7,893
Charged to the profit or loss	3
Arising on business combinations	(6,145)
Utilised in year	(306)
At 31 December 2019	<u>1,445</u>

Of the £3,000 (2018: £512,000) charged to the P&L, £3,000 relates to discount unwind. All provisions are expected to be utilised by the end of 2021.

20. Share capital

	2019	2018
	£000	£000
Authorised, allotted, called up and fully paid		
973,664,283 (2018 - 973,664,283) Ordinary shares of £0.25 each	<u>243,416</u>	<u>243,416</u>

RENTOKIL INITIAL (1896) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The company operates several unfunded plans, which provides certain past employees with post-retirement benefits. These defined benefit schemes are reappraised annually by independent actuaries, based upon actuarial assumptions in accordance with IAS 19 "Employee Benefits", using the projected unit method.

Reconciliation of present value of plan liabilities:

	2019	2018
	£000	£000
Reconciliation of present value of plan liabilities		
At the beginning of the year	2,213	2,538
Interest cost	32	36
Actuarial losses/(gains)	200	(239)
Benefits paid	(136)	(122)
At the end of the year	2,309	2,213
	2019	2018
	£000	£000
Present value of plan liabilities	(2,309)	(2,213)
Net pension scheme liability	(2,309)	(2,213)

22. Post balance sheet events

On 1 May 2020 the Company redeemed its perpetual debentures at par value.

RENTOKIL INITIAL (1896) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. Controlling party

The Company's immediate parent company is Rentokil Initial 1927 plc. The Company's ultimate parent company is Rentokil Initial plc, which forms the only group into which the financial statements of the Company are consolidated. The consolidated financial statements of Rentokil Initial plc are available from Rentokil Initial plc, Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB.