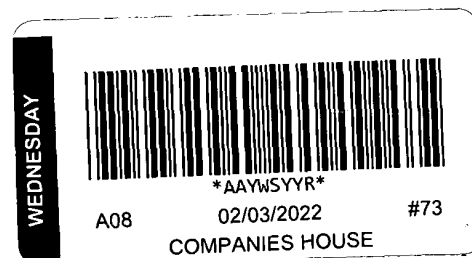


# **Elis UK Limited (formerly Berendsen UK Limited)**

## **Report and financial statements**

Year ended 31 December 2020



Company Registration Number: 228604

## Elis UK Limited (formerly Berendsen UK Limited)

### Strategic report

The Directors present their strategic report of the Company for the year ended 31 December 2020.

#### Principal activities

The Company is a market leading service provider to hotels and restaurants, healthcare, commercial and public sectors in connection with flat linen and workwear. The principal activity of the company is the provision of linen and workwear services, garment supply, laundering and dry cleaning services together with the supply of related products and services. The company also provides sterile garments and consumables through its Cleanroom division.

#### Review of business and future developments

Revenues for the year ended 31 December 2020 amounted to £223.1 million (2019: £32.5million).

The loss for the year ended 31 December 2020, after taxation, amounted to £21.2 million (2019: profit £3.9 million).

During the year, the company has continued being one of the leading suppliers of goods and services in the industry in which it operates.

On 1 January 2020, the Company acquired all the operations of its trading subsidiaries, Berendsen Cleanroom Services Limited, Berendsen Healthcare Limited, Berendsen Hospitality Limited and Berendsen Workwear Limited. On that date, all properties, assets, liabilities, staff and customers of these companies were transferred to Elis UK Limited. As a result, the company experienced a significant increase in revenue that in the past would have been reflected in its subsidiaries.

In May 2020, the company acquired Central Laundry Ltd, a company dedicated to rental-cleaning services of flat linen in the Healthcare industry.

During the year, the company restructured its organisation and applied a number of measures to streamline its operations in an attempt to respond to the challenging financial environment caused by the COVID pandemic, this involved the closure of sites and personnel redundancies.

In addition, the company took advantage of a number of job retention schemes made available by the government in order to limit the financial impact caused by the slowdown in the economy as a result of the COVID pandemic, reflected in a reduction of volumes ordered by its customers. This led to a position where the company was not profitable in the year.

It is believed, however, that the company will recover in line with the rest of the economy as and when the pandemic subsides.

Below are the KPI's of the company:

KPI		2020	2019
Quantity - flat linen	Tonnes	13,569	N/A
Quantity - garments	Pieces	9,156,470	N/A
Productive hours	hrs	331,090	N/A
Purchase orders	units	3,513	N/A
Number of Employees		4,418	146
Gross Profit margin		29%	91%
Net profit before tax margin		-14%	26%

Prior year comparisons are not applicable as the main trading of the company was acquired from subsidiary companies on 1st January 2020. The company was essentially a holding company in 2019.

#### Post Balance Sheet events

On 1 May 2021 the assets and liabilities of Central Laundry Limited were hived up into Elis UK Limited. The total asset of £1.3m and total liabilities of £0.9m were transferred at book value and no goodwill was generated as a result of the transfer. The net value of the assets transferred was recognised in the intercompany balance.

On 1 September 2021, Elis UK acquired Pure Washrooms Ltd, provider of hygiene and washrooms products and services for £6.8m.

**Elis UK Limited (formerly Berendsen UK Limited)**

## **Strategic report (continued)**

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks relate to the availability of laundry operatives and drivers. The company generally hire people on full time contracts and supplement this with outsourced labour during peak periods. The cost of textile is another risk and is addressed via the Group's global procurement of textiles.

### **Section 172 reporting**

The Directors comply with the general duty under section 172 of the Companies Act 2006 to act in a way that the Directors consider, in good faith, would be most likely to promote the success of the Company for the benefit of the shareholders as a whole and having regard to the likely consequences of decisions in the long term, the interests of employees, the need to foster business relationships with suppliers, customers and others, the impact of the operations on the community and the environment and the desirability of maintaining a reputation to high standards of business conduct.

#### **- Risk Management:**

During the year the directors were careful to balance short term as well as long term decisions in such way to enhance the interest of the company, shareholders, its employees, customers and suppliers. Key risks are managed by putting long term contracts in place and are regularly monitored by management. As we are providing business-critical services to many customers (including the NHS) it is important to have resiliency build into our services in order to provide back-up solutions in case we have a catastrophic failure at a plant.

#### **- Employees:**

We are committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, communities and society as a whole. We acknowledge that our employees are essential to the business and we are implementing programmes to ensure retention. We have respect for our employees, and their safety is of paramount importance to us. We have several programmes in place that look after employees emotional, as well as physical, safety and wellbeing.

#### **- Business Relationships:**

We develop and maintain strong client relationships and value our suppliers. We aim to maintain a high standard of reputation in the market and conduct all our business with integrity.

#### **- Environment:**

The company is a responsible corporate citizen and pays particular attention to its impact on the environment and the community. Several energy and water savings projects have been implemented and the company continuously look for further improvements that are both good for the company and the environment. The company is also embracing the objective to reduce our carbon footprint and is working with the NHS on their objective to be net zero by 2040.

#### **- Shareholders:**

The company is a fully owned subsidiary and thus the shareholder is fully aware and kept informed of all business activities and financial results.

## Elis UK Limited (formerly Berendsen UK Limited)

### Strategic report (continued)

#### Energy and Carbon reporting:

The directors wish to report the Energy Consumption and Emissions as follows.

	Current reporting year 1st January 2020 - 31st December 2020
Energy consumption used to calculate emissions (kWh)	Electricity - 33,928,349 kWh Gas - 259,308,054 kWh
i) Emissions from combustion of Gas (Scope 1, location based) (tCO <sub>2</sub> e)	47,679
ii) Emissions from combustion of vehicle fuels (Scope 1) (tCO <sub>2</sub> e)	7,457
iii) Emissions from purchased Electricity (Scope 2, location based) (tCO <sub>2</sub> e)	7,910
iv) Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel (Scope 3) (tCO <sub>2</sub> e)	510
Total gross CO <sub>2</sub> e based on above (tCO <sub>2</sub> e)	63,556
v) Intensity ratio: tCO <sub>2</sub> e gross figure based from mandatory fields (tCO <sub>2</sub> e/tonnes of production)	0.3668
<b>Methodology</b>	
i) Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1)	tCO <sub>2</sub> e calculated from the invoiced gas consumption in kWh during the reporting period converted using the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Natural Gas' at Gross CV. CO <sub>2</sub> e values were calculated using mileage and litre data at the individual vehicle level, converted using UKGov (2020) conversion values, following allocation of Scope 3 vehicle emissions, with the remainder categorised as Scope 1. The values were multiplied by 1,000 in order to convert from KgCO <sub>2</sub> e to tonnesCO <sub>2</sub> e
ii) Emissions from combustion of vehicle fuels (Scope 1) (tCO <sub>2</sub> e)	
iii) Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2, location based)	
iv) Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO <sub>2</sub> e (Scope 3)	
v) Intensity ratio: tCO <sub>2</sub> e gross figure based from mandatory fields	
	tCO <sub>2</sub> e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0) for 'Electricity Generated/Electricity: UK' tCO <sub>2</sub> e provided by Elis UK, Scope 3 vehicle categories were: Elis Co Car BIK Opt Out, Elis Co Car Fuel Card and Elis Co Car Fully Expensed Fuel Card The intensity ratio stated above has been calculated as tonnes of CO <sub>2</sub> e per tonnes of production (171,881 tonnes), which were produced using the CCA Target Unit Results Summary figures
<b>Definitions</b>	
CO <sub>2</sub> e	The standard metric used for carbon reporting. Consolidates various greenhouse gas emissions using the equivalent amount of CO <sub>2</sub> that would produce the same level of environmental harm. Conversion factors are provided annually by the UK government. For 2020, the "2020 UK Government GHG Conversion Factors for Company Reporting (version 1.0)" were used.
tCO <sub>2</sub> e	Tonnes of CO <sub>2</sub> e

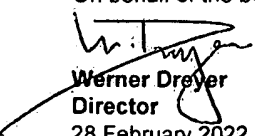
Prior year comparisons are not available. The company will provide this in future years.

The company continuously invests in capital projects, and process productivity initiatives, in order to improve its energy consumption and emissions.

**Elis UK Limited (formerly Berendsen UK Limited)**

**Strategic report (continued)**

On behalf of the board



**Werner Dreyer**  
**Director**

28 February 2022

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Directors' report**

The Directors present their annual report and audited financial statements of the Company for the year ended 31 December 2020.

#### **Dividends**

The Directors do not recommend the payment of a dividend (2019: £nil).

#### **Directors**

The Directors, who served during the year and to the date of signing, unless otherwise indicated, were as follows:

Werner Dreyer	(appointed 20 July 2020)
Mark Franklin	
Richard O'Brien	(resigned 20 July 2020)
Mark South	(resigned 20 July 2020)

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. Directors' and Officers' liability insurance was also purchased and maintained throughout the financial year by the parent company in respect of the Company and its Directors.

#### **Employees**

Applications for employment of disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. During the year, the policy of providing employees with information about the Company has continued. We maintain ongoing dialogue with our employees and listen to their concerns and needs. Communication takes place through various committees which meet regularly and exchange information about the company. Schemes have been implemented to ensure that employees are properly rewarded for performance and loyalty.

#### **Customers, suppliers and other stakeholders**

During the year, Elis continued to build strong relationships with customers by working in a collaborative way in order to solve customers' needs.

Strong business relationships with existing suppliers and other stakeholders have been encouraged through the year as well as engaging into new contract agreements in order to take advantage of the provision of consolidated services and continue promoting the utilisation of economies of scale.

#### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt and equity market prices and interest rate risk. Elis SA, of which the Company is a subsidiary, has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The most significant risks are set out as follows:

##### *Credit risk*

The Company, where appropriate, has implemented policies that require appropriate credit checks on potential customers before sales are made.

##### *Interest rate cash flow risk*

The Company has interest bearing liabilities. All of these liabilities are within the Group and at low interest rates, thus are a low risk.

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Directors' report (continued)**

#### *Foreign exchange risk*

The Company forecasts its expected expenditure in foreign currencies for the year, and engages in foreign exchange deals in order to minimise the impact of the volatility of the currency exchange.

#### **Political donations**

The Company made no political contributions during the year (2019 - £nil).

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and accounting estimates that are reasonable and prudent;
- o state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- o prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the Company's website.

#### **Future Developments**

The company continues applying an investment plan to further develop its infrastructure and personnel at the same time of pursuing an acquisition program to further expand its operations.

#### **Going Concern statement**

The Directors, in spite of the losses made in the year, continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue. The company is in a healthy financial position. Moreover, the company's parent company has indicated its intention to make funds available in case such funds are needed by the company. It is believed that that the company will recover in line with the rest of the economy as and when the pandemic subsides.

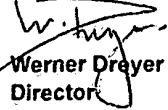
#### **Disclosure of information to the auditor**

Each Director has taken all the steps that he ought to have taken as a director in order to make himself aware, as a director, of any relevant audit information and to establish that the auditor is aware of that information. As far as the Directors are aware, there is no relevant audit information of which the auditor is unaware.

**Elis UK Limited (formerly Berendsen UK Limited)**

**Directors' report (continued)**

This report was approved by the board on 28 February 2022 and signed on its behalf by:



Werner Dreyer  
Director



## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Independent auditor's report to the Members of Elis UK Limited (formerly Berendsen UK Limited)**

#### **Opinion**

We have audited the financial statements of Elis UK Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- o give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- o 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Strategic Report and the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Independent auditor's report (continued) to the Members of Elis UK Limited (formerly Berendsen UK Limited)**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- o the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- o the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- o adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- o the financial statements are not in agreement with the accounting records and returns; or
- o certain disclosures of directors' remuneration specified by law are not made; or
- o 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 set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Independent auditor's report (continued)**

#### **to the Members of Elis UK Limited (formerly Berendsen UK Limited)**

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- o Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- o Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- o Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

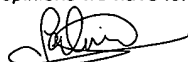
- o Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- o Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- o Discussing amongst the engagement team the risks of fraud; and
- o Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit report**

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



David Herbinet (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

United Kingdom  
28 February 2022

# **Elis UK Limited (formerly Berendsen UK Limited)**

## **Statement of Comprehensive Income**

**for the year ended 31 December 2020**

		Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
	Notes		
<b>Revenue</b>	2	<b>223.1</b>	32.5
Cost of Sales		(158.4)	(3.0)
<b>Gross profit</b>		<b>64.7</b>	29.5
Distribution expenses		(47.1)	(1.3)
Administrative expenses		(30.9)	(24.5)
Other operating items	6	(11.6)	(1.3)
<b>Operating (loss)/profit</b>	3	<b>(24.9)</b>	2.4
<i>Analysed as:</i>			
Operating (loss)/profit before exceptional items		(13.6)	3.7
Exceptional costs	6	(11.3)	(1.3)
		<b>(24.9)</b>	2.4
Income from subsidiaries		-	132.0
Impairment of fixed asset investments		-	(100.5)
Loss on disposal of subsidiary		(0.3)	(23.0)
		<b>(25.2)</b>	10.9
Finance income	7	-	2.2
Finance costs	8	(6.3)	(4.6)
<b>(Loss)/profit before taxation</b>		<b>(31.5)</b>	8.5
Taxation	9	10.3	(4.6)
<b>(Loss)/profit for the year</b>		<b>(21.2)</b>	3.9
<i>Other Comprehensive (expense) / income</i>			
Cash flow hedge - change in fair value		0.3	(1.6)
<b>Total Comprehensive (expense)/income for the year</b>		<b>(20.9)</b>	2.3

The notes on pages 14 to 28 form part of the financial statements

# **Elis UK Limited (formerly Berendsen UK Limited)**

## **Balance Sheet**

**As at 31 December 2020**

	Note	2020 £m	2019 £m
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	11	5.8	2.9
Property, plant and equipment	12	202.4	3.6
Right of use assets	13	50.9	46.7
Investments	14	13.9	9.4
		<u>273.0</u>	<u>62.6</u>
<b>Current assets</b>			
Inventories	15	9.3	5.1
Debtors	16	137.5	329.3
Cash and cash equivalents		3.1	6.1
		<u>149.9</u>	<u>340.5</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	18	(106.8)	(68.2)
		<u></u>	<u></u>
Net current assets		43.1	272.3
Total assets less current liabilities		316.1	334.9
<b>Non-Current liabilities</b>			
Creditors: amounts falling due after more than one year	19	(255.1)	(248.5)
Deferred tax liability	10	-	(4.5)
		<u></u>	<u></u>
Net assets		<u>61.0</u>	<u>81.9</u>
<b>Capital and Reserves</b>			
Share capital	20	3.6	3.6
Other reserves		15.0	14.7
Retained earnings		42.4	63.6
Total shareholders' equity		<u>61.0</u>	<u>81.9</u>

The notes on pages 14 to 28 form part of the financial statements.

The financial statements of Elis UK Limited (formerly Berendsen UK Limited) (registered number: 228604) were approved and authorised for issue by the Board of Directors on 28 February 2022. They were signed on its behalf by:

  
**Werner Dreyer**  
 Director

**Elis UK Limited (formerly Berendsen UK Limited)**

**Statement of changes in equity**

	Share capital £m	Other reserves £m	Retained earnings £m	Total £m
At 31 December 2018	3.6	16.3	59.7	79.6
Profit for the year	-	-	3.9	3.9
<i>Other Comprehensive Income</i>				
Cash flow hedge - change in fair value	-	(1.6)	-	(1.6)
At 31 December 2019	3.6	14.7	63.6	81.9
Loss for the year	-	-	(21.2)	(21.2)
<i>Other Comprehensive Income</i>				
Cash flow hedge - change in fair value	-	0.3	-	0.3
At 31 December 2020	3.6	15.0	42.4	61.0

The notes on pages 14 to 28 form part of the financial statements.

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Notes to the financial statements for the year ended 31 December 2020**

Elis UK Limited (formerly Berendsen UK Limited) is a limited company incorporated and domiciled in the UK with a registered address of Intec 3, Wade Road, Basingstoke, RG24 8NE.

#### **1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior year.

##### ***Basis of preparation***

These financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS101) and are presented as required by the Companies Act 2006 on a going concern basis under the historical cost convention.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions:

- (a) IFRS7 "Financial Instruments Disclosures"
- (b) Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- (c) Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1, paragraph 73 (e) of IAS 16 'Property, Plant and Equipment' and paragraph 118 (e) of IAS 38 'Intangible assets';
- (d) The following paragraphs of IAS 1 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 40A-D (requirements for a third statement of financial position);
  - 111 (cash flow statement information); and
  - 134-136 (Capital management disclosures);
- (e) IAS 7 'Statement of cash flows';
- (f) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but if not yet effective);
- (g) Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation);
- (h) The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- (i) Paragraphs 130(f)(ii), 130(f)(iii), 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets' provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (j) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'; and
- (k) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90,91 and 93 of IFRS 16 "Leases".

Where required, equivalent disclosures are given in the consolidated financial statements of Elis SA which are available to the public.

The Company is exempt from preparing consolidation financial statements under section 401 of the Companies Act 2006 as it is included within the consolidated financial statements of its ultimate and controlling parent undertaking, Elis SA.

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Accounting policies (continued)**

#### ***Going Concern***

The Directors, in spite of the losses made in the year, continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue. The company is in a healthy financial position. Moreover, the company's parent company has indicated its intention to make funds available in case such funds are needed by the company. It is believed that the company will recover in line with the rest of the economy as and when the pandemic subsides.

#### ***Application of new standards and interpretations as from 1 January 2020***

In the current year, the company has applied a number of amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2020. This has not had any material impact on the amounts reported for the current and prior years.

#### ***New standards and interpretations not yet effective***

Certain new accounting standards and interpretations have been published that are not mandatory beginning 1 January 2021 and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### ***Functional currency***

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') 'Pounds Sterling' (£).

#### ***Intangible assets - computer software***

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (not exceeding five years).

#### ***Goodwill***

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.



## Elis UK Limited (formerly Berendsen UK Limited)

### Accounting policies (continued)

#### *Property, plant and equipment*

Leasehold property, plant and equipment are shown at cost less depreciation. Costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Property, plant and equipment is tested for impairment when an event that might affect asset value has occurred. Assets acquired from group companies are transferred at original cost and accumulated depreciation. Gains or losses on disposals are recognised in the statement of comprehensive income.

Depreciation is provided at rates calculated to write-off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land	no depreciation
Freehold buildings	- 40 years
Long leasehold	by equal instalments over the period of the lease
Plant and Machinery	- 3 to 10 years
Circulating stock	- 1 to 3 years

#### *Investments in Subsidiaries*

Investments are initially stated at cost. Investments are tested for impairment when an event that might affect asset value has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future cash flows from the investment.

In May 2020, the company acquired Central Laundry Ltd, a company dedicated to rental-cleaning services of flat linen in the Healthcare industry. The amount paid, including any future consideration, has been recognised in Investments.

#### *Business Combinations*

On 1 January 2020 the assets and liabilities of four subsidiaries were hived up to the company. As all parties were under common control before and after the hive up, the acquisitions were scoped out of IFRS 3, and thus accounted for using the merger accounting method. Under this method, the assets and liabilities were transferred at net book value and no goodwill was generated as a result of the transfer. The net value of the assets transferred was recognised in the intercompany balances.

#### *Inventories*

Inventories comprise consumable items, raw materials and finished goods and are valued at the lower of cost and net realisable value. Cost is based upon the cost of purchase on a first in, first out basis. Some stock is included at a valuation based on a standard cost, which is reviewed annually. Net realisable value is based on estimated selling price less further costs incurred on disposal. Provision is made for obsolete stock where necessary.

#### *Derivative financial instruments*

The Company enters into forward foreign exchange contracts for the purchase of US dollars in the future at fixed rates. These forward contracts reduce the foreign exchange exposure on the procurement of textiles and capital equipment from Far East suppliers. The contracts all have a maturity of less than one year. The effective portion of the changes in the fair value of derivatives are recognised in equity applying fair value hedge accounting. Movements on the hedging reserve are shown within the statement of changes in equity. The Company holds no trading derivatives.

#### *Financial instruments*

Financial instruments comprise non-derivative financial assets and liabilities, including cash, deposits and borrowings.

Non-derivative financial assets are classified as either debtors or cash. Cash includes cash in hand and deposits held on call with banks. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

**Elis UK Limited (formerly Berendsen UK Limited)**  
**Accounting policies (continued)**

***Financial Assets***

Financial assets, of which debtors are included, are recognised initially at the transaction price determined under IFRS15, Revenue for Contract with Customers and subsequently at the amortised cost, less any provision for bad debts and other transaction costs.

Financial assets are classified as current assets when the company expects to realise the asset within 12 months from reporting date. Otherwise these are classified as noncurrent assets

***Expected credit losses***

For debtors, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, debtors have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash deposits held at banks.

***Financial Liabilities***

The company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognised at fair value and subsequently at the amortised cost using the effective interest method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are related to the EIR.

***Lease where the company is a lessee***

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the company uses the Group's incremental borrowing rate adjusted using a spread for the United Kingdom.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Refer to accounting policy on property, plant and equipment.

## **Elis UK Limited (formerly Berendsen UK Limited)**

### **Accounting policies (continued)**

#### ***Revenue recognition***

Revenue comprises the fair value for the rendering of services and rental of textiles, net of value added tax and similar sales based taxes, rebates and discounts. Revenue is recognised as follows:

**Service income:** Income received or receivable in respect of service income is credited to revenue as and when services are rendered in respect of linen and washroom services. Revenue is recognised on a per item basis for delivery of laundered textiles to hotels and hospitals. Revenue for supply and laundering of workwear is recognised on a regular periodic basis in accordance with the terms of the contract.

**Sale of Goods:** For non-contract based business, revenue represents the value of goods delivered. Accrued income comprises revenue contractually earned for services performed that are invoiced to the customer primarily in the following month. Deferred revenue represents amounts invoiced in respect of services that are due to be performed largely in the following month.

#### ***Finance income and costs***

Interest income and interest expense are calculated by applying the effective interest rate to the gross carrying amount of a financial asset/liability except for financial assets that subsequently become credit-impaired.

#### ***Pension costs***

The Company operates a defined contribution scheme. Contributions payable by the Company to the scheme are charged to the Statement of comprehensive income in the financial year to which the contributions relate.

## Elis UK Limited (formerly Berendsen UK Limited)

### Accounting policies (continued)

#### Exceptional items

Items that are non-recurring, or irregular, and material in size or non-operating in nature are presented as exceptional items in the income statement. The Directors are of the opinion that separate recording of exceptional items provides helpful information about the Company's underlying business performance.

#### Current and deferred income tax

The current income tax charge/(credit) is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted at the balance sheet date in the UK.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits/losses and its results as stated in the financial statements.

Deferred income tax assets are not recognised to the extent that the transfer of future economic benefits is uncertain. Deferred tax assets and liabilities have not been discounted.

#### Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the end of the year.

#### Estimation of Useful Lives of Property, Plant & Equipment and Intangible Assets with Definite Useful

The company estimates the useful lives of property, plant and equipment and intangible assets with definite useful lives based on the year which the property, plant and equipment and intangible assets are expected to be available for use and making use of collective assessment of the industry practice, internal technical evaluation and experience with similar assets. These estimated useful lives are reviewed periodically and updated if there is a change in the expectations in the useful economic lives of these assets.

#### Determining the Discount Rate on Leases

If the Discount Rate implicit in the lease cannot be readily determined, the company uses the Group's incremental borrowing rate adjusted using a spread for the United Kingdom.

## 2 Revenue

The whole of the revenue is attributable to the principal activity of the company, which is one class of business. All revenue arose within the United Kingdom.

## 3 Operating profit/(loss)

	2020	2019
	£m	£m
Operating profit/(loss) is stated after charging		
Depreciation of property plant and equipment	65.1	1.6
Amortisation of intangible assets	1.1	1.5
Loss on sale of property, plant and equipment	0.3	-
Right of use depreciation expense	9.3	7.6
(Gain) / loss on foreign exchange currency supplies	(0.0)	0.1
Impairment of Investments	(0.7)	-
Fees payable to the Company's auditor for the audit of:		
the Company's annual financial statements	0.2	0.2
the Company's subsidiaries' financial statements	0.1	0.1

# **Elis UK Limited (formerly Berendsen UK Limited)**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **4 Staff costs**

Staff costs for the Company during the year, including directors:

	2020 £m	2019 £m
Wages and salaries	88.1	10.4
Social security costs	9.1	1.5
Other pension costs	2.4	1.0
	<u>99.6</u>	<u>12.9</u>

#### *Employee numbers*

The average monthly number of employees (including executive directors) was 5131 (31 December 2019: 146).

### **5 Directors' emoluments**

	2020 £m	2019 £m
<i>Directors remunerated by the Company</i>		
Aggregate emoluments	0.4	0.4
Company contributions to pension scheme	-	-
	<u>0.4</u>	<u>0.4</u>
<i>Highest paid director remunerated by the Company</i>		
Aggregate emoluments	0.2	0.3
	<u>0.2</u>	<u>0.3</u>

### **6 Other operating costs and exceptional items**

	2020 £m	2019 £m
<i>Exceptional costs</i>		
Impairment of intragroup balance	-	0.8
Restructure and redundancy costs	11.3	0.5
	<u>11.3</u>	<u>1.3</u>
<i>Other operating items</i>		
Loss on sale of property, plant and equipment	0.3	-
	<u>11.6</u>	<u>1.3</u>

During the year, the company implemented a reorganisation and streamlined its operations resulting in some personnel redundancies and temporary closure of sites.

### **7 Finance income**

	2020 £m	2019 £m
Interest received from Group undertakings	-	2.2
	<u>-</u>	<u>2.2</u>

**Elis UK Limited (formerly Berendsen UK Limited)**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**8 Finance costs**

	2020 £m	2019 £m
Interest paid to Group undertakings	4.4	2.9
Lease liabilities cost	1.9	1.7
	<u>6.3</u>	<u>4.6</u>

**9 Taxation**

	2020 £m	2019 £m
<b>(a) Analysis for the year:</b>		
<i>Current tax:</i>		
UK corporation tax (credit)/charge	(1.5)	0.2
Amounts underprovided in previous years	(0.7)	(0.3)
	<u>(2.2)</u>	<u>(0.1)</u>
<i>Deferred tax:</i>		
Relating to origination and reversal of timing differences	1.9	4.4
Effect of change in deferred tax rates	0.9	-
Amounts over provided in previous years	(10.9)	0.3
Total deferred tax (credit)/charge	<u>(8.1)</u>	<u>4.7</u>
Total tax charge/(credit) in the income statement	<u>(10.3)</u>	<u>4.6</u>
<b>(b) Factors affecting current taxation for the year:</b>		
<b>(Loss)/profit on ordinary activities before taxation</b>	<u>(31.5)</u>	<u>8.5</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	(6.0)	1.6
<i>Adjustments in respect of:</i>		
Permanent differences	(0.3)	
Expenses not deductible for tax purposes	-	23.6
Non-taxable income	-	(25.1)
Deferred tax not recognised	6.7	3.9
Effect of change in tax rate	0.9	0.6
Prior year adjustments	(11.6)	-
	<u>(10.3)</u>	<u>4.6</u>

**Elis UK Limited (formerly Berendsen UK Limited)**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**10 Deferred tax**

<i>Deferred tax assets</i>	<b>Provisions £m</b>	<b>Losses £m</b>	<b>Total £m</b>
At 31 December 2019	-	-	-
Transferred in	1.7	-	1.7
Effect of change in tax rate	0.2	-	0.2
Charge in year	(1.9)	6.7	4.8
Deferred tax not recognised	-	(6.7)	(6.7)
At 31 December 2020	-	-	-

<i>Deferred tax liabilities</i>	<b>Accelerated capital allowances £m</b>	<b>Capital gains rollover £m</b>	<b>Total £m</b>
At 31 December 2019	(3.8)	(0.7)	(4.5)
Transferred in	(3.4)	(1.9)	(5.3)
Effect of change in tax rate	(0.8)	(0.3)	(1.1)
Prior year adjustment	8.0	2.9	10.9
At 31 December 2020	-	-	-

	<b>2020 £m</b>	<b>2019 £m</b>
Net deferred tax (liability)/asset	-	(4.5)
	-	(4.5)

A review of the deferred tax following the subsidiary hive up established that deferred tax had been provided for incorrectly on assets that were ineligible for capital allowances in 2019 and the deferred tax liability was overstated.

Since the balances have transferred to Elis UK, a single adjustment has been made to correct the position in the current year.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly the company has not recognised deferred tax assets in respect of deductible temporary differences and tax losses of £10.6m, as it is not probable that relevant taxable profits will be available in future.

**Elis UK Limited (formerly Berendsen UK Limited)**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**11 Intangible assets**

	Computer software £m	Goodwill £m	Total £m
<b>Cost</b>			
At 31 December 2019	8.6	-	8.6
Additions	0.4	-	0.4
Intra group transfers	0.1	3.5	3.6
Reclassification	0.6	-	0.6
At 31 December 2020	<b>9.7</b>	<b>3.5</b>	<b>13.2</b>
<b>Amortisation</b>			
At 31 December 2019	5.7	-	5.7
Provided during year	1.1	-	1.1
Intra group transfers	-	-	-
Reclassification	0.6	-	0.6
At 31 December 2020	<b>7.4</b>	<b>-</b>	<b>7.4</b>
<b>Net book value</b>			
At 31 December 2020	<b>2.3</b>	<b>3.5</b>	<b>5.8</b>
At 31 December 2019	<b>2.9</b>	<b>-</b>	<b>2.9</b>

**12 Property, plant and equipment**

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Hire and rental inventory £m	Total £m
<b>Cost or valuation</b>					
At 31 December 2019	-	0.2	3.9	3.8	7.9
Additions	1.2	-	3.0	40.3	44.5
Inter group transfers	61.1	0.6	125.6	142.5	329.8
Reclassification	5.1	0.4	98.1	5.8	109.4
Disposals	-	-	(2.9)	(52.4)	(55.3)
At 31 December 2020	<b>67.4</b>	<b>1.2</b>	<b>227.7</b>	<b>140.0</b>	<b>436.3</b>
<b>Depreciation</b>					
At 31 December 2019	-	0.1	2.4	1.8	4.3
Provided during year	1.3	-	14.5	49.3	65.1
Inter group transfers	3.1	0.1	37.1	69.3	109.6
Reclassification	5.7	0.4	98.3	5.5	109.9
Disposals	-	-	(2.6)	(52.4)	(55.0)
At 31 December 2020	<b>10.1</b>	<b>0.6</b>	<b>149.7</b>	<b>73.5</b>	<b>233.9</b>
At 31 December 2020	<b>57.3</b>	<b>0.6</b>	<b>78.0</b>	<b>66.5</b>	<b>202.4</b>
At 31 December 2019	-	0.1	1.5	2.0	3.6



**Elis UK Limited (formerly Berendsen UK Limited)**

**Notes to the financial statements for the year ended 31 December 2020 (continued)**

**13 Right of use assets**

	Long leasehold £m	Plant and machinery £m	Total £m
<b>Cost</b>			
At 1 January 2020	35.7	18.6	54.3
Additions	0.8	12.1	12.9
Disposals	(0.6)	(1.1)	(1.7)
Inter group transfers	0.8	0.1	0.9
At 31 December 2020	<b>36.7</b>	<b>29.7</b>	<b>66.4</b>
<b>Depreciation</b>			
At 1 January 2020	2.7	4.9	7.6
Provided during year	2.9	6.4	9.3
Disposals	(0.4)	(1.0)	(1.4)
At 31 December 2020	<b>5.2</b>	<b>10.3</b>	<b>15.5</b>
<b>Net book value</b>			
At 31 December 2020	<b>31.5</b>	<b>19.4</b>	<b>50.9</b>
At 1 January 2020	<b>33.0</b>	<b>13.7</b>	<b>46.7</b>

**Lease liabilities**

Maturity analysis of contractual undiscounted cashflows	2020 £m	2019 £m
Less than one year	10.1	8.7
One to five years	25.8	21.8
Over five years	46.2	35.5
less Interest	(19.6)	(18.4)
	<b>62.5</b>	<b>47.6</b>

# **Elis UK Limited (formerly Berendsen UK Limited)**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **Amount recognised in the Statement of Income**

	2020	2019
	£m	£m
Interest on lease liabilities	1.9	1.7
Expenses related to short term leases	1.3	4.7
Expenses related to leases of low-value assets, excluding short term leases of low-value assets	0.3	0.4
	<b>3.5</b>	<b>6.8</b>

	2020	2019
	£m	£m
Total amount of cash outflows for leases	<b>10.3</b>	<b>8.8</b>

## **14 Investments**

	Total £m
<b>Cost</b>	
At 31 December 2019	9.4
Additions	5.2
Impairment	(0.7)
At 31 December 2020	<b>13.9</b>
<b>Net book value</b>	
At 31 December 2020	<b>13.9</b>
At 31 December 2019	<b>9.4</b>

The Company owns issued share capital of the following companies, which are considered to be the principal subsidiary undertakings. All holdings are in the ordinary shares of the entities and are 100%.

The company performs annual reviews of its investments. In the year it has made provisions for the investments that have had indications of its fall in value. Such provisions have been reflected in the Statement of Comprehensive Income.

Company name	Country of incorporation	Registered office
Berendsen Cleanroom Services Limited	England	Intec 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Workwear Limited	England	Intec 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Healthcare Limited	England	Intec 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Hospitality Limited	England	Intec 3, Wade Road, Basingstoke, RG24 8NE, UK
Central Laundry Ltd	England	Intec 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Ireland Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Berendsen Northern Ireland Limited	N. Ireland	Murray House, Murray Street, Belfast, BT1 6DN, UK

## Elis UK Limited (formerly Berendsen UK Limited)

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 14 Investments (continued)

The following is a list of entities which are included within the consolidated financial statements of Elis SA in which Berendsen UK Limited has an interest. All holdings are in the ordinary shares of the entities and are 100%.

Lakeland Pennine Group Limited	Sunlight Clinical Solutions Limited
Midland Laundry Group Holdings Limited	Sunlight Textile Services Limited
Midland Laundry Group Limited	The Sunlight Service Group Limited
Spring Grove Services Group Limited	

All the above are incorporated in England with a registered address of Intek 3, Wade Road, Basingstoke, RG24 8NE, UK

Company name	Country of incorporation	Registered office
Berendsen Supply Chain (Northern Ireland) Limited	N. Ireland	Murray House, Murray Street, Belfast, BT1 6DN, UK
Berendsen Ireland Holdings Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Nanoclean Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Steri-tex Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
BDF Holdings Limited	Scotland	11 Ladywell Avenue, Grangestone, Girvan, Ayrshire, Scotland, KA26 9PL, UK

#### 15 Inventories

	2020	2019
	£m	£m
Raw materials and consumables	1.8	-
Finished goods	8.3	5.8
Provision for obsolete stock	(0.8)	(0.7)
	<u>9.3</u>	<u>5.1</u>

#### 16 Debtors

	2020	2019
	£m	£m
Trade receivables	14.9	23.6
Prepayments	9.1	14.8
Other debtors	1.1	4.0
Amounts due from Group undertakings	112.4	286.9
	<u>137.5</u>	<u>329.3</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

# **Elis UK Limited (formerly Berendsen UK Limited)**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **17 Derivative financial instruments**

	2020 £m	2019 £m
Forward foreign exchange contracts	<u>(0.9)</u>	<u>(1.3)</u>

The Company faces some currency exposure in respect of the procurement of textiles and capital equipment from Far East suppliers. The Company's policy is to enter into forward contracts to purchase US dollars based upon the expected purchases. During the year, the Company entered into several forward foreign exchange contracts for the purchase of US dollars in the future at fixed rates. These forward contracts reduce the foreign exchange exposure on the procurement of textiles and capital equipment from Far East suppliers. The contracts all have a maturity of less than one year. The forward foreign exchange contracts have resulted in the recognition of a derivative liability of £925,000 at 31 December 2020 (2019: asset of £1,268,000).

### **18 Creditors: amounts falling due within one year**

	2020 £m	2019 £m
Trade creditors	12.5	20.0
Corporation tax	(1.1)	1.2
Amounts due to Group undertakings	16.3	0.9
Amounts due to Parent undertakings	32.6	-
Other taxation and social security	15.2	8.6
Other creditors	2.2	4.2
Forward foreign exchange contracts (see note 17)	0.9	1.3
Short term lease liabilities	8.3	7.0
Accruals and deferred income	19.9	25.0
	<u>106.8</u>	<u>68.2</u>

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

### **19 Creditors: amounts falling due after more than one year**

	2020 £m	2019 £m
Long term lease liabilities	54.2	40.6
Amounts due to Parent undertakings	200.9	207.9
	<u>255.1</u>	<u>248.5</u>

Amounts owed to group undertakings are unsecured.

### **20 Share capital**

	2020 £m	2019 £m
Issued, called up and fully paid		
36,206,050 Ordinary shares of £0.10p each	<u>3.6</u>	<u>3.6</u>

## Elis UK Limited (formerly Berendsen UK Limited)

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 21 Pensions

##### *Defined contribution schemes*

The Company provides a defined contribution scheme for eligible members of the Company. The assets of the scheme are held separately from those of the Company in an independently administered fund.

##### *Defined benefit scheme*

The Company participates in a defined benefit scheme (the Berendsen DB (UK) Retirement Benefits Scheme) with its immediate parent company (Berendsen Limited).

The Company is accounting for its contributions to the scheme as if it were a defined contribution scheme. Accordingly, the cost of the Company's contributions to the scheme is equal to the contributions payable to the scheme during the year. Full details of the scheme may be viewed in the Berendsen Limited financial statements.

#### 22 Capital commitments

	2020	2019
	£m	£m
Contracted but not provided for	<u>4.0</u>	<u>4.6</u>

#### 23 Related party transactions

The Company has taken the exemption available to it under FRS 101 Reduced Disclosure Framework not to disclose its related party transactions with fellow group undertakings.

#### 24 Post balance sheet event

On 1 May 2021 the assets and liabilities of Central Laundry Limited were hived up into Elis UK Limited. The total asset of £1.3m and total liabilities of £0.9m were transferred at book value and no goodwill was generated as a result of the transfer. The net value of the assets transferred was recognised in the intercompany balance. On 1 September 2021, Elis UK acquired Pure Washrooms Ltd, provider of hygiene and washrooms products and services for £6.8m.

#### 25 Ultimate parent undertaking and controlling party

The Company's immediate controlling party is Berendsen Limited and the ultimate parent undertaking and controlling party is Elis SA, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Elis SA consolidated financial statements can be obtained at 5 Boulevard Louis Loucheur, F-92210 Saint-Cloud or online.