

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Private company: limited by shares
Registered in England & Wales
Registered Number: 301044
Registered Office:
Riverbank
Meadows Business Park
Blackwater
Camberley
Surrey
GU17 9AB



RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

Contents	Page
Strategic report	1
Directors' report	2-3
Independent auditor's report to the members of Rentokil Initial UK Limited	4-5
Profit and loss account and other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes	9-28

STRATEGIC REPORT

Introduction

The directors present their annual report, together with the audited financial statements of the Company for the year ended 31 December 2018.

Principal activity / future developments

The company is a subsidiary within the Rentokil Initial plc Group ("the Group") and its principal activity is the provision of business services and the manufacturing of products for sale to other Rentokil Initial plc group companies.

The directors are satisfied with the Company's financial position at the year end and its prospects for future development. The turnover of the business for 2018 was higher in comparison to 2017 by £7,502,000. This was due to a combination of business acquisitions made during previous periods and an increased focus on sales.

The directors envisage that the company will continue with its principal activity of provision of services for the foreseeable future.

Principal risks and uncertainties

The directors of Rentokil Initial plc manage the risks of the Rentokil Initial plc Group (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 Group's 2018 Annual Report, which does not form part of this report.

On 29 March 2017 the UK government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the EU. There is an initial two-year timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship, although this timeframe has been extended. At this stage, there is significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU.

Key Performance Indicators

The Rentokil Initial plc Group manages its operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the division of Rentokil Initial plc, which includes the Company, is discussed in the Group's 2018 Annual Report which does not form part of this report.

By order of the board



J K Hampson
Director
Riverbank
Meadows Business Park
Blackwater
Camberley
Surrey
GU17 9AB
Company number 301044

19 September 2019

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

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 they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- 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.

Results and dividends

The operating profit of £36,995,000 (2017: £29,847,000) has grown in the year through a combination of revenue growth, margin improvement and reduction in administration costs. The profit for the year, after taxation, amounted to £32,928,000 (2017: £324,987,000). The prior year profit after tax was higher due to receiving dividends from two subsidiaries which became dormant in the year. An interim dividend of £nil was paid during the year (2017: £291,600,000). The directors do not recommend the payment of a final dividend for 2018 (2017: £nil).

The Cannon UK business was subject to an investigation by the UK Competition & Markets Authority (CMA) and was therefore held separate from the rest of our UK business from 5 February 2018. The CMA concluded its Phase 2 review of the transaction and announced on 25 January 2019 that the Company is required to sell a limited number of supply contracts with larger, national customers and frameworks, representing a small part of the acquired business, after identifying an issue relating to a single line of washroom service for those customers. We have since identified a potential buyer for the limited number of contracts and are expecting completion at the end of September 2019. The CMA investigation will also conclude at this time.

On 3 September 2018 the Company purchased 100% of the share capital of Pest Protection Services (Scotland) Ltd and Pest Protection Services (East) Ltd.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Director's 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.

Directors

D P F Fagan

J K Hampson

P P Wood

The directors named above held office throughout the year.

Post balance sheet events

There were no significant events occurring after the balance sheet date.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



Catherine Stead

Secretary

Riverbank

Meadows Business Park

Blackwater

Camberley

Surrey

GU17 9AB

Company number 301044

19 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RENTOKIL INITIAL UK LIMITED

We have audited the financial statements of Rentokil Initial UK Limited for the period ended 31 December 2018 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of goodwill and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and 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 their 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").

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. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 group or the company will continue in operation.

Strategic report and 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.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

Strategic report and directors' report (continued)

Our responsibility is to read the strategic report and the directors' 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 statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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, 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.

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 and for 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 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 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.

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.

Emily Sills

Emily Sills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
London

20 19 September 2019

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	<u>2018</u> £'000	<u>2017</u> £'000
Revenue	2	244,612	237,110
Cost of sales		(159,716)	(154,960)
GROSS PROFIT		84,896	82,150
Administrative expenses		(47,901)	(52,303)
OPERATING PROFIT		36,995	29,847
Dividends received from subsidiaries		48	395,155
Impairment of investments	11	-	(95,383)
PROFIT BEFORE INTEREST	5	37,043	329,619
Interest receivable and similar income	3	1,828	964
Interest payable and similar charges	4	(386)	(353)
PROFIT BEFORE TAXATION		38,485	330,230
Tax on profit	8	(5,557)	(5,243)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		32,928	324,987

The results of the year are wholly attributable to the continuing operations of the company.

The notes on pages 9 to 28 form part of the accounts.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	<u>2018</u> £'000	<u>2017</u> £'000
FIXED ASSETS			
Contract costs	1	4,145	-
Intangible assets	9	13,576	15,572
Tangible assets	10	22,187	22,933
Investments - shares in subsidiary undertakings	11	100,482	82,635
		<u>140,390</u>	<u>121,140</u>
CURRENT ASSETS			
Stocks	13	14,845	12,525
Debtors	14	181,561	150,637
Cash at bank and in hand		28,541	104,837
		<u>224,947</u>	<u>267,999</u>
CREDITORS – amounts falling due within one year	16	<u>(186,316)</u>	<u>(245,991)</u>
NET CURRENT ASSETS		<u>38,631</u>	<u>22,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>179,021</u>	<u>143,148</u>
PROVISIONS FOR LIABILITIES AND CHARGES	17	<u>(723)</u>	<u>(1,024)</u>
NET ASSETS		<u>178,298</u>	<u>142,124</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,055	1,055
Share premium account		50,313	50,313
Profit and loss account		126,930	90,756
SHAREHOLDERS' FUNDS		<u>178,298</u>	<u>142,124</u>

The financial statements on pages 6 to 28 were approved by the board on 19 September 2019 and were signed on its behalf by:



J K Hampson
Director
Company number 301044

The notes on pages 9 to 26 form part of the accounts.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital £'000	Share Premium £'000	Profit and loss account £'000	Total £'000
1 January 2017	1,055	50,313	57,369	108,737
Total comprehensive income for the year	-	-	324,987	324,987
<u>Transactions with shareholders recorded directly in equity</u>				
Dividends paid	-	-	(291,600)	(291,600)
At 31 December 2017	1,055	50,313	90,756	142,124

	Share Capital £'000	Share Premium £'000	Profit and loss account £'000	Total £'000
At 31 December 2017	1,055	50,313	90,756	142,124
Adjustment of initial application of IFRS 15 net of tax of £762 (note 1)	-	-	3,246	3,246
At 1 January 2018	1,055	50,313	94,002	145,370
Total comprehensive income for the year	-	-	32,928	32,928
<u>Transactions with shareholders recorded directly in equity</u>				
Dividends paid	-	-	-	-
At 31 December 2018	1,055	50,313	126,930	178,298

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND ACCOUNTING POLICIES

Rentokil Initial UK Limited is a company incorporated and domiciled in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which 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.

Basis of preparation

The financial statements have been prepared under the historic 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.

The following principal accounting policies have been applied:

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;
 - paragraph 118(e) of IAS 38 Intangible assets;
- 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 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- Information relating to new IFRS standards which have been issued but which are not yet effective, including an assessment of the possible impact that it will have when it is adopted for the first time (IAS 8.30-31)

Changes in accounting policies

The Company adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. The main effect of initially applying IFRS 15 Revenue from Contracts with Customers is the capitalisation and amortisation of commission fees that were previously expensed as incurred. There was no effect to the company of applying IFRS 9 Financial Instruments.

The Company has applied IFRS 15 using the cumulative effect method (adopting all practical expedients); therefore, comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. Substantially all of the Company's revenue is within the scope of IFRS 15, but no material changes to the timing of revenue recognition are required. Under IFRS 15 revenue is recognised when a customer obtains control of goods or services in line with identifiable performance obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies (continued)

Therefore, as under IAS 18 previously, the majority of revenue across the Company will continue to be recognised evenly over the course of the contract because this reflects the timing of the provision of the service.

The Company previously recognised commission expenses related to contracts as selling expenses when they were incurred. Under IFRS 15, the Company capitalises incremental commission fees as costs of obtaining contracts, if they are expected to be recovered, and amortises them consistently over the expected lives of the contracts to which they relate. The value of the initial adjustment was £4,008k net of £762k tax. The related amortisation for the reporting period was £920k. Where the expected amortisation period is one year or less, the Company adopts the practical expedient to expense these commission fees as incurred.

The following table summarises the impacts of adopting IFRS 15 on the Company's balance sheet as at 31 December 2018. There was no material impact on the Company's statement of profit or loss and other comprehensive income or statement of cash flows for the year ended 31 December 2018.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings as at 1 January 2018:

<i>in thousands of GBP</i>	Note	Impact of adopting IFRS 15 at 1 January 2018
Assets		
Contract costs	1	4,008
Non-current assets		4,008
Deferred tax assets (refer Note 15)	1	(762)
		(762)
Equity		
Retained profits		3,246

Impact on the Company's Balance Sheet at 31 December 2018

<i>in thousands of GBP</i>	As reported £'000	Adjustments £'000	Amounts without adoption of IFRS 15 £'000
Assets			
Contract costs	4,145	4,145	-
Non-current assets	4,145	4,145	-
Deferred tax assets (refer Note 15)	5,978	(540)	5,217
Debtors	182,642	(540)	182,102
Equity			
Retained profits	126,930	3,605	123,325
Total equity	126,930	3,605	123,325

Going concern

After making relevant enquiries the Directors have concluded the company can meet its obligations as they fall due for at least 12 months from the date of the Directors' approval of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

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.

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

The Company classifies its financial assets as loans and receivables. The Company has not classified any of its financial assets as fair value through profit and loss or held to maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company recognises its financial liabilities at amortised cost.

Amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue excludes VAT and other similar sales-based taxes, rebates and discounts and represents the amounts receivable for services rendered and goods sold to 3rd party customers. For non-contract-based business, revenue represents the value of goods delivered or services performed. For contract-based business, revenue represents the sales value of work carried out for customers during the period. Contract income is recognised in accounting periods on a straight-line basis over the life of the contract.

Under IFRS 15, revenue is recognised when a customer obtains control of goods or services in line with identifiable performance obligations. In the majority of cases the company considers that the contracts it enters into are contracts for bundled services which are accounted for as a single performance obligation. Accordingly revenue is recognised evenly over the course of the contract because this reflects the timing of the provision of the service. Job work is short-term contract revenue whereby the period of service is typically less than one month in duration. The performance obligations linked to this revenue type are individual to each job due to their nature with revenue being recognised on a percentage of completion basis.

The transaction price reported for all contracts is the price agreed in the contract and there are no material elements of variable consideration, financing component or non-cash consideration. The company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations because the company has a right to consideration from customers in an amount that corresponds directly with the value to the customer of the performance obligations completed to date.

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Operating leases: the Company as a lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Customer lists and relationships	5-16 years
Brands	2-15 years
Computer software	3-5 years

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Provision for depreciation of all tangible fixed assets of the company is made in equal annual instalments over their estimated useful lives, principally over the following periods:

Tropical plants and their containers on rental	4 years
Motor vehicles	4 years
Leasehold properties	Period of lease
Leasehold property improvements	Remaining life of lease
Freehold buildings	100 years
Plant, machinery and equipment	3 – 10 years
Office equipment, furniture and fittings.	5 – 10 years

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, using the first-in first-out principle. Cost includes all direct expenditure and related overheads incurred to the balance sheet date.

Provisions

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 the Statement of Comprehensive Income 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Provisions (continued)

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

When the effect of the time value of money is material, provision amounts are calculated on the present value of the expenditure expected to be required to settle the obligation. The present value is calculated using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Business combinations

Transactions under common control are accounted for under the carry over basis. The value of the net assets acquired is transferred at book value with any difference between the consideration paid and net assets acquired being recognised through other comprehensive income in the profit and loss account.

Transactions to acquire the trade and assets of a business that is not already under common control are accounted for under IFRS 3. The value of the net assets acquired is transferred at book value with any differences between consideration paid and net assets acquired being accounted for as goodwill.

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 2017 and an impairment charge was recognised in the profit and loss account of £95,383,000 (2016: £nil). See note 10.

(b) Provisions

The Company has a vacant property provision which has been made for the residual lease commitments together with other outgoings. The Company also has a provision for warranties which is made for the cost of remedial works necessitated by Property Care customer claims for further or corrective work to be carried out without further charge under the Company's terms of business. (see accounting policy on 'Provisions' above)

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SEGMENTAL REPORTING

Revenue	<u>2018</u>	<u>2017</u>
	£'000	£'000
Business analysis – continuing operations		
Business Services	181,988	176,020
Manufacturing and supply	62,624	61,090
Total operations	244,612	237,110

Revenues are primarily generated in the United Kingdom. All revenue types are in scope of IFRS 15 Revenue from Contracts with Customers.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Intergroup interest receivable	1,800	-
Bank interest receivable	28	104
Gain on exchange	-	860
	1,828	964

4. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Interest payable on bank overdraft	103	353
Loss on exchange	282	-
	386	353

5. PROFIT BEFORE INTEREST

Operating profit is stated after charging:	<u>2018</u>	<u>2017</u>
	£'000	£'000
Employee costs	79,247	77,337
Direct materials and services	78,152	82,173
Vehicle costs	11,093	10,368
Property costs	7,312	6,582
Depreciation and amortisation	11,028	11,695
Impairment of investments (note 10)	-	95,383
One off items	467	390
Auditors remuneration	135	143
Other operating expenses	20,182	22,892
	207,616	306,963
Employee costs:		
Wages and salaries	71,144	70,036
Social security costs	6,107	5,640
Other pension costs	1,996	1,661
	79,247	77,337

There are no other fees payable to KPMG LLP in respect of the current or prior period.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. EMPLOYEES

	<u>2018</u> Number	<u>2017</u> Number
The average number of employees during the year was made up as follows:		
Service and sales	2,081	2,018
Administration	535	565
	<u>2,616</u>	<u>2,583</u>

The costs of these employees are disclosed in note 5.

7. DIRECTORS REMUNERATION

The Company directors are also directors of fellow group subsidiaries. The remuneration stated is the best estimated allocation of Kris Hampson and Phill Wood's remuneration for relevant services for the Company during 2018.

Daragh Fagan is a director of Rentokil Initial 1927 plc and provides his services primarily to that company. As such his remuneration is paid by and disclosed in the accounts of Rentokil Initial 1927 plc. These disclosures therefore exclude this director as his services to the Company were of negligible value.

	<u>2018</u> £'000	<u>2017</u> £'000
Directors' emoluments in respect of qualifying services	381	341
Company contributions to defined contribution scheme	8	9
	<u>389</u>	<u>350</u>

The highest paid Director received remuneration of £256,600 (2017: £240,700).

No Company contributions were paid to a defined contribution pension scheme in respect of the highest paid Director (2017: £nil). £20,700 was paid in lieu of this as a cash allowance, which has been disclosed as part of the Directors' emoluments (2017: £20,700).

During the year two directors received shares under the Rentokil Initial plc Performance Share Plan (2017: 2) and one director exercised awards (2017: 1). Full details of the Rentokil Initial plc Performance Share Plan can be found in the annual report for Rentokil Initial plc, a copy of which can be obtained from the address given in note 22.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TAXATION ON PROFIT

	<u>2018</u> £'000	<u>2017</u> £'000
Current Tax:		
UK corporation tax on profits of the period	6,159	6,108
Adjustment in respect of previous periods	(554)	-
Tax on profit	5,605	6,108
Deferred Tax:		
- Origination/reversal of timing difference	1,321	158
- Adjustment in respect of prior periods	(1,369)	(1,023)
Tax on profit	5,557	5,243

The current tax charge for the period is lower (2017: lower) than the standard rate of corporation tax in the UK 19.00% (2017: 19.25%). The differences are explained below:

	<u>2018</u> £'000	<u>2017</u> £'000
Profit before tax	38,485	330,230
Profit multiplied by the standard rate of corporation tax in the UK at 19.00% (2017: 19.25%)	7,312	63,569
Effects of:		
Disallowable expenses	177	18,691
Income not taxed	(9)	(76,067)
Deferred tax current year rate differential	(1)	73
Movement in unprovided deferred tax in relation to intangible fixed assets	-	-
Prior year adjustment in respect of capital allowance disclaims	(1,239)	(1,322)
Prior year adjustment (other)	(683)	299
Current tax charge for the year	5,557	5,243

In the 2016 Budget the Chancellor announced a reduction in the UK corporation tax rate to 17% from 1 April 2020 and this rate was substantively enacted on 6 September 2016. This change in corporation tax rates will reduce the Company's future current tax charge.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u> £'000	<u>Customer Lists</u> £'000	<u>Computer Software</u> £'000	<u>Brands and other</u> £'000	<u>Total</u> £'000
Cost					
At 1 January 2018	8,227	12,322	7,729	1,086	29,364
Acquisition of companies	168	-	-	-	168
Additions	-	-	798	5	803
Other/Reallocation	(75)	974	-	-	899
Disposals	-	-	(162)	-	(162)
At 31 December 2018	8,320	13,296	8,365	1,091	31,072
Aggregate amortisation					
At 1 January 2018	-	8,467	4,974	351	13,792
Amortised in the period	-	2,466	1,100	162	3,728
Other/Reallocation	-	138	-	-	138
Disposals	-	-	(162)	-	(162)
At 31 December 2018	-	11,071	5,913	513	17,496
Net Book Value					
At 1 January 2018	8,227	3,855	2,755	735	15,572
At 31 December 2018	8,320	2,225	2,452	578	13,576

10. TANGIBLE FIXED ASSETS

	<u>Freehold and leasehold land & buildings</u> £'000	<u>Vehicles and office equipment</u> £'000	<u>Plant, equipment and tropical plants</u> £'000	<u>Total</u> £'000
Cost				
At 1 January 2018	2,926	5,689	37,121	45,736
Additions	-	411	7,742	8,153
Impairments	-	-	-	-
Other/Reclassifications	-	15	(11)	4
Disposals	-	(351)	(6,551)	(6,902)
At 31 December 2018	2,926	5,764	38,301	46,991
Aggregate Depreciation				
At 1 January 2018	-	4,156	18,647	22,803
Depreciation for the year	182	562	6,833	7,577
Impairments	125	-	-	125
Other/Reclassifications	-	-	2	2
Disposals	-	(262)	(5,441)	(5,703)
At 31 December 2018	307	4,456	20,041	24,804
Net Book Value				
At 1 January 2018	2,926	1,533	18,474	22,933
At 31 December 2018	2,619	1,308	18,260	22,187

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. INVESTMENTS – SHARES IN SUBSIDIARY UNDERTAKINGS

Investments held as fixed assets are stated at cost less provisions for any impairment. In the opinion of the directors the value of the individual investments is not less than that shown in the balance sheet.

	<u>2018</u> £'000	<u>2017</u> £'000
At 1 January	82,635	167,580
Additions	18,147	10,438
Reallocation	(300)	-
Impairment charge	-	(95,383)
Disposals	-	-
At 31 December	100,482	82,635

For full list of subsidiary undertakings please see Note 25.

An impairment test was carried out in 2018, the impairment charge was recognised in the profit and loss account of £nil (2017: £95,383,000) as a result of no investments with an identified impairment (2017: 3 impairments identified, two of which from investments becoming dormant during the year). Total dividends received from direct investment holdings during the year amounted to £48,000 (2017: £395,155,000).

12. BUSINESS COMBINATIONS

During the year the Company made no trade and asset acquisitions.

13. STOCKS

	<u>2018</u> £'000	<u>2017</u> £'000
Raw materials	529	484
Work in progress	88	55
Finished goods	14,228	11,986
	14,845	12,525

There is no material difference between the replacement value of stocks and the above amounts.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. DEBTORS

	<u>2018</u> £'000	<u>2017</u> £'000
Amounts falling due within one year		
Trade debtors	34,247	35,015
Amounts owed by group undertakings	135,936	105,439
Other debtors	489	511
Prepayments and accrued income	5,672	4,184
	<u>176,344</u>	<u>145,149</u>
Amounts falling due in more than one year		
Deferred tax asset (see note 15)	5,217	5,488
	<u>181,561</u>	<u>150,637</u>

Amounts owed by group and parent undertakings are non-interest bearing, unsecured and are repayable on demand.

15. DEFERRED TAX

Deferred tax asset	<u>2018</u> £'000	<u>2017</u> £'000
At 1 January	5,488	4,623
Adjustment of initial recognition of IFRS 15 (see note 1)	(762)	-
Acquisition of companies	-	-
Profit and loss – current year (see note 8)	(879)	(158)
– prior year (see note 8)	1,369	1,023
At 31 December	<u>5,217</u>	<u>5,488</u>
Deferred tax comprises:	<u>2018</u> £'000	<u>2017</u> £'000
Excess of depreciation over capital allowances	4,979	4,906
Contract costs	(540)	-
Other timing differences	778	582
	<u>5,217</u>	<u>5,488</u>

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. CREDITORS: Amounts falling due within one year

	<u>2018</u> £'000	<u>2017</u> £'000
Bank overdraft	5,107	107,719
Trade creditors	13,753	11,775
Amounts due to group undertakings	117,612	77,439
Other tax and social security	7,230	6,878
Corporation tax due on current year taxable profits	6,602	7,229
Other creditors	3,142	4,059
Accruals and deferred income	30,732	27,663
Deferred consideration	2,138	3,229
	<u>186,316</u>	<u>245,991</u>

Amounts owed to group undertakings are non-interest bearing, unsecured and are repayable on demand. Deferred consideration is payable within one year with valuation based on working capital, revenue and customer retention metrics

17. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Warranty/ guarantee claims provisions</u> £'000	<u>Onerous lease provisions</u> £'000	<u>Total</u> £'000
At 1 January 2018	238	786	1,024
Additional provision created	-	66	66
Unused amounts released	-	-	-
Utilised in year	-	(367)	(367)
At 31 December 2018	<u>238</u>	<u>485</u>	<u>723</u>

Warranty/guarantee claims provision

Some service work is carried out under warranty. Provision is made for the estimated future costs of meeting claims under these warranties. These provisions are expected to be substantially utilised within the next five years.

Onerous lease provision

The company has one vacant floor in a property that is otherwise utilised. The lease includes a break clause for 2019 and therefore a provision has been made for the residual lease commitments together with other outgoings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. CALLED UP SHARE CAPITAL

	<u>2018</u> £'000	<u>2017</u> £'000
1,055,000 allotted and fully paid ordinary shares (2017: 1,055,000)	1,055	1,055

19. PENSION COMMITMENTS

Rentokil Initial UK Limited participates in the Rentokil Initial 2015 Pension Scheme with Rentokil Initial plc paying all contributions to the scheme. The scheme is reflected in Rentokil Initial plc's accounts and further information can be found in the Group's annual report.

20. OBLIGATIONS UNDER OPERATING LEASES

Future lease payments under non-cancellable operating leases falling due are as follows:

	<u>2018</u>		<u>2017</u>	
	<u>Land and buildings</u> £'000	<u>Other</u> £'000	<u>Land and buildings</u> £'000	<u>Other</u> £'000
Operating leases which expire:				
Within 1 year	1,454	9,451	346	6,326
Within 1 to 5 years	2,276	6,315	453	8,825
After 5 years	1,503	-	-	-
	5,233	15,766	799	15,151

21. CONTINGENT LIABILITIES

The Company has contingent liabilities relating to guarantees in respect of leasehold properties, third parties, tax and litigation. The possibility of any significant loss in respect these items are considered remote.

22. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Rentokil Initial (1896) Limited. 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 Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB.

23. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events occurring after the balance sheet date.

24. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. Under the transition methods chosen comparative information is not restated.

From 1 January 2019 the Company will adopt IFRS 16 Leases. The majority of existing operating leases will be accounted for as right of use (ROU) assets, which will be largely offset by corresponding lease liabilities. The lease liability will increase net debt. It is anticipated that operating expenses will decrease and financing costs will increase as the operating lease expense is replaced by depreciation and interest. Depreciation will be straight-line over the life of the lease but the financing charge will decrease over the lease term.

The Company plans to adopt the same approach as the Group by applying the standard using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. RELATED UNDERTAKINGS (SUBSIDIARIES AND OTHER ASSOCIATED UNDERTAKINGS)

Name	Class of shares	Holding
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United Kingdom

Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB

Anzak Landscapes Limited	Ordinary	100%
BET Environmental Services Limited	Ordinary	100%
BPS Offshore Services Limited	Ordinary	81.43%
Cannon Hygiene Limited	Ordinary	100%
Castlefield House Limited	Ordinary	100%
Enviro-Fresh Limited	Ordinary	100%
Euroguard Technical Services Limited	Ordinary	100%
Peter Cox Limited	Ordinary	100%
Prokill (UK) Limited	Ordinary	100%
Prokill Limited	Ordinary-A	100%
	Ordinary-B	100%
	Ordinary-C	100%
	Ordinary-D	100%
Pest Protection Services (Scotland) Limited	Ordinary-A	100%
Pest Protection Services (East) Limited	Ordinary	100%
Rentokil Initial Asia Pacific Limited	Ordinary	81.43%
Rentokil Initial Investments South Africa	Ordinary	81.43%
Rentokil Initial Services Limited	Ordinary	100%
Rentokil Limited	Ordinary	81.43%
Rentokil Overseas Holdings Limited	Ordinary	100%
Rentokil Property Care Limited	Ordinary	100%
Stratton House Leasing Limited	Ordinary	81.43%

The Ca'd'oro 45 Gordon Street Glasgow Scotland G1 3PE

Wise Property Care Limited	Ordinary	100%
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Australia

Unit A1, Lidcombe Business Park, 3-29 Birnie Avenue 2141 Australia

Ant-Eater Environmental Services Pty Limited	Ordinary	81.43%
Cannon Hygiene Australia Pty Limited	Ordinary	81.43%
Knock Out Pest Control Pty Limited	Ordinary	81.43%
Knock Out National Pty Limited	Ordinary	81.43%
Pest Away Australia Pty Limited	Ordinary	81.43%
Rentokil Australia Pty Limited	Ordinary	81.43%
Rentokil Initial Asia Pacific Pty Limited	Ordinary	81.43%
Rentokil Initial Pty Limited	Ordinary	81.43%
Rentokil Pest Control (QLD) Pty Limited	Ordinary	81.43%
Rentokil Pty Limited	Ordinary	81.43%
Copes Pest Control Pty Limited	Ordinary	81.43%
Green Fingers Plant Hire Pty Limited	Ordinary	81.43%
Rentokil Pest Holdings Pty Limited	Ordinary	81.43%
Rentokil Pest Services Pty Limited	Ordinary	81.43%
Samson Hygiene Services Pty Limited	Ordinary	81.43%

RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Belgium

Ingberthoeveweg, 17, Aartselaar 2630, Belgium

Ambius N.V.	Ordinary	81.41%
Rentokil N.V.	Ordinary	81.42%

Canada

8699 Escarpment Way, Milton, ON L9T 0J5, Canada

Residex Canada Inc.	Common	81.43%
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Suite 900, 1959 Upper Water Street, Halifax NS B3J 2X2, Canada

Rentokil Canada Corporation	Common	81.43%
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Czech Republic

Praha 2, Vyšehradská 1349/2, Prague, PSČ 12800, Czech Republic

Services PCM, s.r.o.	Ordinary	81.43%
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Denmark

Paul Bergsøes Vej 22, 2600 Glostrup, Denmark

Rentokil Initial A/S	Ordinary	81.43%
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Finland

Valuraudankuja 3, 00700 Helsinki, Finland

Rentokil Initial Oy	Ordinary	81.43%
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France

6 Rue Livio, 67100 Strasbourg, France

CAFI SAS	Ordinary	81.43%
CAWE FTB Group SAS	Ordinary	81.43%

34, rue du Général Malleret, 94400 Joinville, VITRY SUR, France

Medicline SAS	Ordinary	81.43%
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13-27 avenue Jean Moulin, 93240, Stains, France

Ambius SAS	Ordinary	81.43%
Rentokil Initial Environmental Services SAS	Ordinary	81.43%
Rentokil Initial SAS	Ordinary	81.43%

145, rue de Billancourt, 92100 Boulogne Billancourt, France

Initial SAS	Ordinary	81.43%
IH Services SAS	Ordinary	81.43%
Rentokil Initial Holdings (France) SA	Ordinary	81.43%
SCI Gravigny	Ordinary	47.26%
SCI Vargan	Ordinary	81.43%

41 Avenue de La Porte de Villiers, 92200 Neuilly-Sur-Seine, France

SCI Pierre Brossolette	Ordinary	26.25%
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RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

France (continued)

Z.A. des Quatre Chemins, BP 21, 95540 Mery-sur-Oise, France

Technivap SAS	Ordinary	81.43%
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50, Route de Bergues, 59180, Cappelle-la-Grande, France

Traitement des Nuisances	Ordinary	81.43%
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Greece

7 Aristotelous Street, Tavros, Athens 177 78, Greece

Rentokil Initial Hellas EPE	Ordinary	78.25%
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Hong Kong

23/F Westin Centre, 26 Hung To Rd, Kwun Tong, Hong Kong

Rentokil Hong Kong Investment Limited	Ordinary	81.43%
Rentokil Initial Hong Kong Limited	Ordinary	81.43%

India

No. 105, 4th Floor, Sreela Terrace, Ist Main Road, Gandhi Nagar, Adyar, Chennai, 600 020, India

Rentokil India Private Limited	Ordinary	100%
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Villa No.3, Crescent Village, Candolim, Goa, 403515, India

PCI Pest Control Private Limited	Ordinary	46.41%
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2nd floor, Narayani, Ambabai Temple Compound, Aarey Road, Goregaon West Mumbai , Mumbai City, MH 400104 IN, India

Rentokil Initial Hygiene India Private Limited	Ordinary	81.43%
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Ground Floor, Gala No.4, Bldg No.18B, Sagedpool, Andheri Kur, India

Corporate Millennium Hygiene Solutions Private	Ordinary	81.43%
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Luxembourg

Rue de la Chapelle 47, 4967 Clemency, Luxembourg

R-Control Désinfections SA	Ordinary	81.42%
Rentokil Luxembourg Sàrl	Ordinary	81.42%

Macau

Rua Pescadores, Numero de policia 354 Ander 5, Moradia H, Edif Ind Nam Fung, Macau

Rentokil Initial Hong Kong Limited - Macau	Ordinary	100%
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Mexico

Juan Álvarez 482, Centro, 64000 Monterrey, N.L., Mexico

Balance Urbano Control de Plagas SA de CV	Ordinary	81.43%
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Mozambique

Avenida da Namaacha, kilometro 6, Residencial Mutateia, Cidade da Matola, Mozambique

Rentokil Initial Mozambique Limitada	Ordinary	81.43%
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RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Netherlands

Impact 6, 6921 RZ Duiven, Netherlands

Ambius BV	Ordinary	81.43%
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Oude Middenweg 75, 2491 AC Den Haag 1191 BN Ouderkerk, Den Haag, Netherlands

BET Finance BV	Ordinary	81.43%
BET (Holdings) V BV	Ordinary	81.43%
BET (Properties) BV	Ordinary	81.43%
BV Rentokil Funding	Ordinary	81.43%
Rentokil Initial International BV	Ordinary	81.43%

Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB, England

Rentokil Initial Overseas (Holdings) BV	Ordinary	81.43%
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Ravenswade 54-S, 3439, Nieuwegein, LD, Netherlands

Rentokil Initial BV	Ordinary	81.43%
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Frontstraat 1a, 5405 AK, Uden, Netherlands

Holland Reconditioning BV	Ordinary	81.43%
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Argonstraat 9B, 2718 SM, Zoetermeer, Netherlands

Pest Control Services Europe BV	Ordinary	81.42%
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Norway

Frysjeveien 40, Postboks 24 Okern, Oslo 0508, Norway

Rentokil Initial Norge AS	Ordinary	81.43%
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People's Republic of China

Room 623-624, No. 27 Middle of the Northern Sanhuan street, Xi Cheng District, Beijing, China

Rentokil Initial China Limited	Ordinary	81.43%
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Portugal

Complexo Industrial de Vialonga, Fraccão C-1 e C-21, Granja Alpriate 2626-501, Vialonga, Portugal

Rentokil Initial Portugal – Serviços de Protecção Ambiental Lda	Ordinary	81.41%
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Zona Industrial da Aveleda Park, Rua Primeiro de Maio 40, 4485-010 Aveleda, Portugal

Cleanstation, S.A.	Ordinary	100%
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Republic of Ireland

Hazel House, Millennium Park, Naas, County Kildare W91PXP3, Ireland

Rentokil Initial Holdings (Ireland) Limited	Ordinary	81.43%
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Saudi Arabia

PO Box 30164, Office No. 401, 4th Floor, Al Tamimi Building, Al Khobar, North Al Khobar 31952, Saudi Arabia

Rentokil Saudi Arabia Limited (JV)	Ordinary	48.86%
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RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Singapore

No. 16 & 18 Jalan Mesin, 368815 Singapore

Pestertinator Pte Limited	Ordinary	81.43%
Rentokil Initial Asia Pacific Management Pte Limited	Ordinary	81.43%
Rentokil Initial Singapore Private Limited	Ordinary	81.43%

Slovakia

Kopcianska 10, Bratislava, 851 01, Slovakia

Services PCM s.r.o.	Ordinary	69.21%
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South Africa

2 Stignant Road, Claremont 7708, South Africa

Newshef 1232 (Pty) Ltd	Ordinary	25%
Rentokil Initial BEE Share Trust	Ordinary	40.71%
Rentokil Initial (Dikapi) JV Pty Limited	Ordinary	36.03%
Rentokil Initial (Proprietary) Limited	Ordinary	61.07%

Swaziland

Umkhiwa House Lot 195, Karl Grant Street, Mbabane, Swaziland

Rentokil Initial Swaziland (Pty) Ltd	Ordinary	81.43%
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Sweden

Avestagatan 61, 163 53 Spånga, Sweden

Ambius AB	Ordinary	81.43%
Rentokil AB	Ordinary	81.43%
Sweden Recycling AB	Ordinary	81.43%
Rent a Plant Interessenter AB	Ordinary	81.43%

Switzerland

Hauptstrasse 181, 4625 Oberbuchsitzen, Oberbuchsitzen, Switzerland

Rentokil Schweiz AG	Ordinary	81.43%
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Taiwan

7F, No.56, Lane 258, Rueiguang Rd, Neihu District, Taipei, 114 Taiwan, Province of China

Initial Hygiene Co Limited	Ordinary	100%
Rentokil Ding Sharn Co Limited	Ordinary	100%

Thailand

160 Vibhavadi Rangsit Road, Khwaeng Dindaeng, Khet Dindaeng, Bangkok 10400, Thailand

Rentokil Initial (Thailand) Limited	Ordinary	47.5%
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Tunisia

Zone Industrielle route de Moknine, 5080 Teboulba, Tunisia

CAP Tunis	Ordinary	100%
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RENTOKIL INITIAL UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

United Arab Emirates

1001 & 1009 Tameem, House Tecom, Dubai, United Arab Emirates

Rentokil Initial Pest Control LLC	Ordinary	49%
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United States

The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States

Longgo LLC	Ordinary	100%
Anza LLC	Ordinary	100%

PO Box 4510, 10 Free Street, Portland, ME 04112, United States

Asiatic Investments Inc	Ordinary	47.5%
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Associated Undertakings:

Japan

Kyoritsu Seiyaku Building, 1-5-10 Kudan, Minami Chiyoda-Ku, Tokyo, Japan

Nippon Calmic Limited	Ordinary	49%
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