

STRATTON HOUSE LEASING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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STRATTON HOUSE LEASING LIMITED

COMPANY INFORMATION

Directors	A Laan (resigned 29 April 2016) Grayston Central Services Limited (resigned 4 April 2017) Plant Nominees Limited (resigned 4 April 2017) C J Stead (appointed 8 August 2016) D P F Fagan (appointed 29 April 2016, resigned 8 August 2016) D P F Fagan (appointed 4 April 2017)
Company secretary	C J Stead
Registered number	1990916
Registered office	Riverbank Meadows Business Park Camberley Surrey GU17 9AB
Independent auditor	KPMG LLP Chartered Accountants & Statutory Auditor 15 Canada Square Canary Wharf London E14 5GL

STRATTON HOUSE LEASING LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 12

STRATTON HOUSE LEASING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the 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.

Directors

The directors who served during the year were:

A Laan (resigned 29 April 2016)
Grayston Central Services Limited (resigned 4 April 2017)
Plant Nominees Limited (resigned 4 April 2017)
C J Stead (appointed 8 August 2016)
D P F Fagan (appointed 29 April 2016, resigned 8 August 2016)

Disclosure of information to auditor

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

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

STRATTON HOUSE LEASING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.~~

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



C J Stead
Secretary

Date: 12 June 2017

STRATTON HOUSE LEASING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STRATTON HOUSE LEASING LIMITED

We have audited the financial statements of Stratton House Leasing Limited for the year ended 31 December 2016, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; and

STRATTON HOUSE LEASING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STRATTON HOUSE LEASING
LIMITED

- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Anna Jones (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

12 June 2017

STRATTON HOUSE LEASING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

During the financial year and the preceding financial year the Company did not trade, received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor a loss and had no other recognised gains or losses.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year and their historical cost equivalents.

Profit for the year

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 12 form part of these financial statements.

STRATTON HOUSE LEASING LIMITED
REGISTERED NUMBER: 1990916

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	6	10,494	14,162
		<u>10,494</u>	<u>14,162</u>
Current assets			
Debtors: amounts falling due within one year	7	93,705	90,037
		<u>93,705</u>	<u>90,037</u>
Creditors: amounts falling due within one year	8	(104,038)	(104,038)
		<u>(10,333)</u>	<u>(14,001)</u>
Net current liabilities			
		(10,333)	(14,001)
Total assets less current liabilities		<u>161</u>	<u>161</u>
Net assets		<u>161</u>	<u>161</u>
Capital and reserves			
Profit and loss account		161	161
		<u>161</u>	<u>161</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



C J Stead
Director

Date: 12 June 2017

The notes on pages 8 to 12 form part of these financial statements.

STRATTON HOUSE LEASING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2015	-	161	161
Total comprehensive income for the year	-	-	-
At 1 January 2016	-	161	161
Total comprehensive income for the year	-	-	-
At 31 December 2016	-	161	161

STRATTON HOUSE LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- 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 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

2.3 Going concern

The directors have received confirmation from the parent company of its intention to financially support the Company such that 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. Therefore the directors have prepared the financial statements on a going concern basis.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

STRATTON HOUSE LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.5 Debtors

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

2.6 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.

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

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

(a) Impairment of investments

The Company is required to test for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. An impairment test was carried out in 2016 and no investments were found to be impaired.

4. Operating profit

There is no charge to the profit and loss account for auditor's remuneration as the costs of the Company's audit are borne by another group company. The audit fee for the year ended 31 December 2016 was £2,550 (2015: £2,550).

5. Employees and directors

The company has no employees (2015: NIL). The directors received no emoluments or fees in respect of qualifying services to the Company, nor did they have any retirement benefits accruing to them under defined benefit pension schemes (2015: £NIL).

STRATTON HOUSE LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2016	14,162
Disposals	(3,668)
At 31 December 2016	<u>10,494</u>
Net book value	
At 31 December 2016	<u>10,494</u>
At 31 December 2015	<u>14,162</u>

On 18 March 2016 Rentokil Initial Investments South Africa repurchased 3,667,621 shares from the Company which it then cancelled. The value of these shares of £3,667,621 was returned to the Company. The issued share capital of Rentokil Initial Investments South Africa was therefore reduced from 14,161,830 to 10,494,209 shares.

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Rentokil Initial Investments South Africa	United Kingdom	Ordinary	100 %
RI Lesotho (Pty) Limited	Lesotho	Ordinary	100 %
RI Swaziland (Pty) Limited	Swaziland	Ordinary	100 %

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Rentokil Initial Mozambique Limitada	Mozambique	Ordinary	100 %

STRATTON HOUSE LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Fixed asset investments (continued)

Rentokil Initial (Pty) Limited	South Africa	Ordinary	75 %
Rentokil Initial (Dikapi) JV Pty Limited	South Africa	Ordinary	59 %

Name	Registered office
Rentokil Initial Investments South Africa	Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey No 7 Arrival Centre, Kofi Annan Road, Maseru, Lesotho
RI Lesotho (Pty)Ltd	Avenida da Namaacha, kilometro 6, Residencial Mutateia, Cidade da Matola, Mozambique
Rentokil Initial Mozambique Limitada	2 Stignant Road, Claremont 7708, South Africa
Rentokil Initial (Pty) Limited	2 Stignant Road, Claremont 7708, South Africa
Rentokil Initial (Dikapi) JV Pty Ltd	Umkhiwa House, Lot 195 Karl Grant Street, Mbabane, Swaziland
RI Swaziland (Pty) Limited	

7. Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	93,705	90,037
	<u>93,705</u>	<u>90,037</u>

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

STRATTON HOUSE LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	104,038	104,038
	<u>104,038</u>	<u>104,038</u>

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

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Controlling party

The Company's immediate parent is Rentokil 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 Rentokil Initial plc, Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB.