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**STRATTON HOUSE LEASING LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>STRATTON HOUSE LEASING LIMITED</b>
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**COMPANY INFORMATION**

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<b>Directors</b>	D P F Fagan (resigned 30 March 2022) C B T Filby J K Hampson C J Stead
<b>Company secretary</b>	C J Stead
<b>Registered number</b>	1990916
<b>Registered office</b>	Compass House Manor Royal Crawley West Sussex RH10 9PY
<b>Independent auditor</b>	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor 1 Embankment Place London WC2N 6RH

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**STRATTON HOUSE LEASING LIMITED**

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## STRATTON HOUSE LEASING LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

#### Business review

The results for the year are set out in the statement of comprehensive income on page 7.

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

The Group performed well during 2021 despite the challenges placed on colleagues and customers by the global impact of COVID-19. However, given the ongoing uncertainty relating to the pandemic and the reduced economic outlook, the directors of Rentokil Initial plc have assessed the Group financial position and have modelled its cash flows for the next 18 months from the balance sheet date. This includes an assessment of the impact of COVID-19, factoring in severe but plausible downside scenarios including the impact of further COVID-19 lockdowns. Based on this assessment, the Group is anticipated to remain within its liquidity headroom. The Group's strategy has positioned it well to deal with the challenges presented by the pandemic and the directors have concluded that the Group will have sufficient liquidity to continue to meet its liabilities as they fall due for this period and therefore have prepared the financial statements on a going concern basis.

During the year the Company made a loss after tax of £15k (2020: profit £498k). The Company has net liabilities of £246k (2020: £231k), and has net current liabilities of £5,757k (2020: £5,742k). The directors are satisfied that the Company is a going concern and has sufficient funds to meet its liabilities through funding if required from its fellow subsidiary Rentokil initial 1927 plc.

#### Principal risks and uncertainties

The directors of Rentokil Initial plc manage the risks 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 Group's risks would not support 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 2021 Annual Report which does not form part of this report.

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**STRATTON HOUSE LEASING LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Directors' statement of compliance with duty to promote the success of the Company**

Section 172(1) of the Companies Act 2006 ("section 172") requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of different matters including wider stakeholders. In discharging their section 172 duties the directors of the Company do this, although at times some factors may have been more relevant than others, and the interests of some stakeholders will have been more relevant than others.

In addition, the directors also have regard to other factors which they consider relevant to the decision being made. Whilst the directors of the Company retain responsibility for the operations and interests of the Company, those factors, include for example the interests of the wider Rentokil Initial Group under the Company's ultimate parent company Rentokil Initial plc, and the Company's relationship with its lenders. By considering the Company's purpose, vision and values together with its strategic priorities (which are aligned with those of the Rentokil Initial Group as a whole) and having a process in place for decision-making, the directors aim to make sure that their decisions are consistent and appropriate in all circumstances, including with regards to the wider matters contemplated under section 172.

Authority for day-to-day management of the Company is delegated to executives who then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held as required where the directors consider the Company's activities and make decisions, as appropriate. As a part of those meetings the directors, where relevant, receive information on section 172 matters when making decisions.

As the principal activity of the Company is to act as an investment holding company for other entities in the Rentokil Initial Group, the Company has had limited commercial business during the year. Further information on the Company's engagement with its employees, customers and suppliers can be found in the directors' Report.

This report was approved by the board of directors, and by order of the board is hereby signed by:



C J Stead  
Director

Date: 5 October 2022

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## STRATTON HOUSE LEASING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the audited financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

#### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

#### Results and dividends

During the year the Company made a loss after tax of £15k (2020: profit £498k).

No interim dividend was paid (2020: £nil). The directors do not recommend the payment of a final dividend for 2021 (2020: £nil).

#### Future developments

The Company's main business is that of an investment holding company for operating companies principally providing business-to-business support services. The directors do not intend, at the date of this report, that there will be any major changes in the Company's activities in the next year.

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## STRATTON HOUSE LEASING LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Directors

The Directors who served during the year were:

D P F Fagan (resigned 30 March 2022)  
C B T Filby  
J K Hampson  
C J Stead

#### Political contributions

There were no political contributions in the year (2020: £nil).

#### Engagement with employees

The Company has no employees in the year (2020: nil).

#### Engagement with suppliers, customers and others

The Company recognises the importance of engaging effectively and fostering successful business relationships with suppliers, customers and others. A comprehensive set of policies and procedures is in place to ensure high standards of professional business conduct, including the adherence to the Rentokil Initial Code of Conduct. The directors have regard for such relationships when making decisions. However, as the Company principally acts as an investment holding company for other entities in the Rentokil Initial Group, the Company has had limited commercial business during the period. Further detail on engagement with suppliers, customers and others at a Rentokil Initial group level can be found in the Rentokil Initial plc 2021 Annual Report and 2021 Responsible Business Report at [www.rentokil-initial.com](http://www.rentokil-initial.com).

#### Post balance sheet events

There were no significant post balance sheet events affecting the Company since 31 December 2021.

#### Independent Auditors

Following a Group wide competitive audit tender process that concluded in December 2020, PricewaterhouseCoopers LLP has been appointed as independent auditors at the Annual General Meeting of the Company's ultimate parent entity, Rentokil Initial plc, on 12 May 2021.

In accordance with section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed reappointed as the Company's auditors and will therefore continue in office.

The financial statements on pages 8 to 17 were approved by the board of directors, and by order of the board are hereby signed by:



C J Stead  
Secretary

Date: 5 October 2022

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## STRATTON HOUSE LEASING LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRATTON HOUSE LEASING LIMITED

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## Report on the audit of the financial statements

### Opinion

In our opinion, Stratton House Leasing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

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## STRATTON HOUSE LEASING LIMITED

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

### Auditors' 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 auditors' 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 these 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to adherence to data protection requirements, 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 financial statements such as the Companies Act 2006. We evaluated 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 the posting of inappropriate journal entries to manipulate the financial performance of the Company. Audit procedures performed by the engagement team included:

- Discussions with management, Internal Audit and the Company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identification and testing of significant manual journal entries;
- Assessment of matters reported on the Company's whistleblowing helpline and the results of management's investigation of such matters, and
- Reviewing financial statement disclosures and testing to supporting documentation.

## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



David Braddy (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
5 October 2022

**STRATTON HOUSE LEASING LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Income from fixed assets investments	6	-	508
Interest expense		-	(10)
Foreign exchange loss		<u>(15)</u>	<u>-</u>
<b>(Loss)/profit before tax</b>		<b>(15)</b>	<b>498</b>
Tax on (loss)/profit	7	<u>-</u>	<u>-</u>
<b>(Loss)/profit for the financial year</b>		<b><u>(15)</u></b>	<b><u>498</u></b>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 11 to 17 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	8	5,511	5,511
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	14,483	14,498
Cash at bank and in hand	10	72	72
		<u>14,555</u>	<u>14,570</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(20,312)	(20,312)
<b>Net current liabilities</b>		<u>(5,757)</u>	<u>(5,742)</u>
<b>Net liabilities</b>		<u>(246)</u>	<u>(231)</u>
<b>Capital and reserves</b>			
Profit and loss account		<u>(246)</u>	<u>(231)</u>
		<u>(246)</u>	<u>(231)</u>

The financial statements on pages 8 to 17 were approved and authorised for issue by the board and were signed on its behalf by:

Chris Filby  
Chris Filby (Oct 5, 2022 10:13 GMT+1)  
**C B T Filby**  
Director

Date: 5 October 2022

The notes on pages 11 to 17 form part of these financial statements.

**STRATTON HOUSE LEASING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2020</b>	-	(729)	(729)
<b>Comprehensive income for the year</b>			
Profit for the year	-	498	498
<b>Total comprehensive income for the year</b>	-	498	498
<b>At 31 December 2020 and at 1 January 2021</b>	-	(231)	(231)
<b>Comprehensive expense for the year</b>			
Loss for the year	-	(15)	(15)
<b>Total comprehensive expense for the year</b>	-	(15)	(15)
<b>At 31 December 2021</b>	-	(246)	(246)

The notes on pages 11 to 17 form part of these financial statements.

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## STRATTON HOUSE LEASING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

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

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement 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 requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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 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

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## STRATTON HOUSE LEASING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 2. Accounting policies (continued)

### 2.3 Going concern

Notwithstanding net liabilities of £246,000, net current liabilities of £5,757,000 as at 31 December 2021, and a loss for the year then ended of £15,000, the financial statements have been prepared on a going concern basis. The Directors consider this to be appropriate for the following reasons:

The Company will have sufficient funds, through funding if required from its fellow subsidiary Rentokil Initial 1927 plc, to meet its liabilities as they fall due for at least 12 months from the date of the directors' approval of these financial statements.

Rentokil Initial 1927 plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not currently intend to seek repayment of the amounts due at the balance sheet date of £20,311,795 for a period of at least 12 months from the date of the approval of these financial statements.

The ability of Rentokil Initial 1927 plc to continue as a going concern is itself supported by the Group's ultimate parent company, Rentokil Initial plc, providing financial support to Rentokil Initial 1927 plc. Rentokil Initial plc has indicated its intention to continue to make available such funds as are needed by Rentokil Initial 1927 plc for a period of at least 12 months from the directors' approval of these financial statements.

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

### 2.4 Interest income

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

### 2.5 Finance costs

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

### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.7 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.

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## STRATTON HOUSE LEASING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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## 2. Accounting policies (continued)

### 2.8 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.

### 2.9 Creditors

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

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

### 2.10 Financial instruments

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

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

#### Financial assets

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

#### Debt instruments at amortised cost

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

#### Impairment of financial assets

The expected credit losses (ECLs) on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

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## STRATTON HOUSE LEASING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.10 Financial instruments (continued)

###### Financial liabilities at amortised cost

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

#### 3. Judgements 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. While not considered a critical estimate, as there is not a significant risk of material adjustment in the next 12 months, the following involves certain levels of estimation uncertainty.

##### (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 2021 and no investments were found to be impaired.

#### 4. Operating profit

There is no charge to the profit and loss account for auditors' remuneration as the costs of the Company's audit are borne by another group company. The audit fee for the year ended 31 December 2021 was £2,550 (2020: £2,550). There are no other fees payable to PricewaterhouseCoopers LLP (2020: £NIL).

#### 5. Employees and directors

The Company has no employees (2020: 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 (2020: £NIL).

# STRATTON HOUSE LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 6. Income from other fixed asset investments

	2021 £000	2020 £000
Dividends received from unlisted investments	-	508
	<u>-</u>	<u>508</u>

### 7. Tax on (loss) / profit

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit before tax	(15)	498
(Loss)/profit before tax on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>(3)</u>	<u>95</u>
<b>Effects of:</b>		
Non-taxable dividends	-	(95)
Transfer pricing adjustments	(30)	(31)
Non-deductible expenditure	3	-
Losses surrendered for no consideration	<u>30</u>	<u>31</u>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax.

# STRATTON HOUSE LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 8. Investments

	2021 £000	2020 £000
<b>Investments in subsidiary companies</b>		
Cost and net book value at 1 January	5,511	5,511
Cost and net book value at 31 December	5,511	5,511

#### Subsidiary undertakings

The following were the direct and indirect related undertakings of the company

Name	Country of incorporation	Class of shares	Holding	Registered office
Rentokil Initial Investments South Africa	UK	Ordinary	100%	Compass House, Manor Royal, Crawley, West Sussex, RH10 9PY
Rentokil Initial (Pty) Limited	Lesotho	Ordinary	100%	No 7 Arrival Centre, Kofi Annan Road, Maseru, Lesotho
RI Swaziland (Pty) Limited	Swaziland	Ordinary	100%	Umkhwa House, Lot 195, Karl Grant Street, Mbabane Swaziland
Rentokil Initial Mozambique Limitada	Mozambique	Ordinary	100%	Avenida da Namaacha kilometro 6, Residencial Mutateia, Cidadeda, Matola, Mozambique
Rentokil Initial (Pty) Ltd	South Africa	Ordinary	75%	2 Stignant Road, Claremont 7708, South Africa
Rentokil Initial (Dikapi) JV Pty Limited	South Africa	Ordinary	59%	2 Stignant Road, Claremont 7708, South Africa
Cannon Hygiene (SA) Proprietary Limited	South Africa	Ordinary	100%	Unit D1 Connaught Park, Ordinary Riley Road, Beaconvale, Parow, 7000, South Africa
Newshelf 1232 (Pty) Ltd	South Africa	Ordinary	100%	2 Stignant Road, Claremont, Cape Town, 7708, South Africa

### 9. Debtors: Amounts falling due within one year

	2021 £000	2020 £000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	14,483	14,498
	14,483	14,498

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

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**STRATTON HOUSE LEASING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. Cash at bank and in hand**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<u>72</u>	<u>72</u>
	<u><b>72</b></u>	<u><b>72</b></u>

**11. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Amounts owed to group undertakings	<u>20,312</u>	<u>20,312</u>
	<u><b>20,312</b></u>	<u><b>20,312</b></u>

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

**12. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted, called up and fully paid</b>		
2 (2020 - 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13. Post balance sheet events**

There were no significant post balance sheet events affecting the Company since 31 December 2021.

**14. Controlling party**

The Company's immediate parent company 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, Compass House, Manor Royal, Crawley, West Sussex RH10 9PY.