
RENTOKIL INITIAL (1993) LIMITED

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

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RENTOKIL INITIAL (1993) LIMITED

COMPANY INFORMATION

Directors

R E Canham (appointed 4 April 2022)
D P F Fagan (resigned 30 March 2022)
C B T Filby
J K Hampson

Company secretary

C J Stead

Registered number

2864290

Registered office

Compass House
Manor Royal
Crawley
West Sussex
RH10 9PY

RENTOKIL INITIAL (1993) LIMITED

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RENTOKIL INITIAL (1993) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

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

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

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

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

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

COVID-19

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

The 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. 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 and within its banking covenants. 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.

RENTOKIL INITIAL (1993) LIMITED

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

Directors

The Directors who served during the financial year were:

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

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.

Audit exemption

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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



C J Stead
Secretary

Date: 28 September 2022

RENTOKIL INITIAL (1993) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 £m | 2020 £m |
|---|------|--------------|-------------|
| Income from fixed assets investments | | - | 63.0 |
| Interest payable and similar expenses | | (5.7) | (5.9) |
| Interest receivable | | 0.2 | - |
| Gain/(loss) on foreign currency translation | | 5.0 | (5.3) |
| (Loss)/profit before tax | | (0.5) | 51.8 |
| Tax on loss/profit | 5 | - | (0.4) |
| (Loss)/profit for the financial year | | (0.5) | 51.4 |

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

The notes on pages 6 to 12 form part of these financial statements.

RENTOKIL INITIAL (1993) LIMITED
REGISTERED NUMBER: 2864290

BALANCE SHEET
AS AT 31 DECEMBER 2021

| | Notes | 2021 £m | 2020 £m |
|---|-------|---------------------|---------------------|
| Fixed assets | | | |
| Investments | 6 | 59.6 | 59.6 |
| | | <u>59.6</u> | <u>59.6</u> |
| Current Assets | | | |
| Debtors: amounts falling due within one year | 7 | 354.2 | 355.8 |
| | | <u>354.2</u> | <u>355.8</u> |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 8 | (124.2) | (120.5) |
| | | <u>(124.2)</u> | <u>(120.5)</u> |
| Net current assets | | <u>230.0</u> | <u>235.3</u> |
| Total assets less current liabilities | | <u>289.6</u> | <u>294.9</u> |
| Creditors: amounts falling due after more than one year | 9 | (93.5) | (98.3) |
| Net assets | | <u><u>196.1</u></u> | <u><u>196.6</u></u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 89.6 | 89.6 |
| Capital contribution reserve | | 111.0 | 111.0 |
| Profit and loss account | | (4.5) | (4.0) |
| | | <u>196.1</u> | <u>196.6</u> |

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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:

Chris Filby
Chris Filby: Sep 26 2022 11:40 GMT+1

C B T Filby
 Director

Date: 28 September 2022

RENTOKIL INITIAL (1993) LIMITED

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

| | Called up share capital £m | Capital Contribution Reserve £m | Profit and loss account £m | Total equity £m |
|---|-------------------------------------|--|-------------------------------------|-----------------------|
| At 1 January 2020 | 89.6 | 200.0 | (55.4) | 234.2 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 51.4 | 51.4 |
| Total comprehensive income for the year | - | - | 51.4 | 51.4 |
| At 1 January 2021 | 89.6 | 111.0 | (4.0) | 196.6 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (0.5) | (0.5) |
| Total comprehensive income for the year | | | (0.5) | (0.5) |
| At 31 December 2021 | 89.6 | 111.0 | (4.5) | 196.1 |

The notes on pages 6 to 12 form part of these financial statements.

RENTOKIL INITIAL (1993) LIMITED

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

1. General information

Rentokil Initial (1993) Limited is a private company incorporated and registered 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 the 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 millions (£m) to one decimal place

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

RENTOKIL INITIAL (1993) LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

After making due enquiries the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future, and therefore continue to adopt the going concern basis in preparing the accounts.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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.

RENTOKIL INITIAL (1993) LIMITED

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

2. Accounting policies (continued)

2.8 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.

2.9 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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 have 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 2021 and no impairments were identified.

4. 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).

5. Taxation

| Corporation tax | 2021 £m | 2020 £m |
|--|------------|------------|
| Current tax on loss/profit for the year | - | - |
| Adjustments in respect of previous periods | - | 0.4 |
| Total current tax | - | 0.4 |
| Taxation on profit on ordinary activities | - | 0.4 |

RENTOKIL INITIAL (1993) LIMITED

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

5. Taxation (continued)

Factors affecting tax charge for the year

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

| | 2021 £m | 2020 £m |
|---|------------|------------|
| (Loss)/profit on ordinary activities before tax | (0.5) | 51.8 |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | (0.1) | 9.8 |
| Effects of | | |
| Adjustments to tax charge in respect of prior periods | - | 0.4 |
| Disallowable expenses | 1.1 | 2.2 |
| Income not subject to tax | (0.9) | (12.0) |
| Group relief claimed for nil consideration | (1.5) | (1.5) |
| Transfer pricing adjustments | 1.4 | 1.5 |
| Total tax charge for the year | <u>-</u> | <u>0.4</u> |

Factors that may affect future tax charges

As part of the Finance Bill 2021, there was a proposed increase to the UK corporation tax rate from 19% to 25% (effective 1 April 2023). This was substantively enacted on 24 May 2021.

6. Fixed asset investments

| | Investments in subsidiary companies £m |
|-----------------------------------|--|
| Cost or valuation | |
| At 1 January and 31 December 2021 | <u>59.6</u> |

RENTOKIL INITIAL (1993) LIMITED

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

6. Fixed asset investments (continued)

Related undertakings

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

| Name | Registered office | Class of shares | Holding |
|--|---|-----------------|---------|
| AW Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| B.E.T. Building Services Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Hometrust Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Hometrust Kitchens Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 25% |
| Chard Services Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| BET (No.68) Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| BET Pension Trust Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Dudley Industries Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Broadcast Relay Service (Overseas) Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Enigma Services Group Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Enigma Laundries Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Grayston Central Services Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 99.98% |
| RI Dormant No.20 Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Industrial Clothing Services Limited | The Ca'D'Oro, 45, Gordon Street, Glasgow, G1 3PE | Ordinary | 100% |
| Opel Transport & Trading Company Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Rentokil Dormant (No.6) Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Plant Nominees Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Rentokil Property Holdings Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| RI Dormant No 12 Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| TEB Cleaning Services Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Target Express Holdings Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Target Express Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Target Express Parcels Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 100% |
| Torchsound Properties UK Limited | Compass House, Manor Royal, Crawley, West Sussex | Ordinary | 50% |

RENTOKIL INITIAL (1993) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Debtors

| | 2021 £m | 2020 £m |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 354.2 | 355.8 |
| | <u>354.2</u> | <u>355.8</u> |

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

8. Creditors: Amounts falling due within one year

| | 2021 £m | 2020 £m |
|------------------------------------|--------------|--------------|
| Bank overdrafts | 0.4 | 4.8 |
| Amounts owed to group undertakings | 123.8 | 115.7 |
| | <u>124.2</u> | <u>120.5</u> |

Amounts owed to group undertakings include £5.7m (2020: £4.4m) of dividends payable on preference shares outstanding at year end. The remaining amounts relate to unsecured, interest free loans repayable on demand.

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

| | 2021 £m | 2020 £m |
|-------------------------------|-------------|-------------|
| Share capital treated as debt | 93.5 | 98.3 |
| | <u>93.5</u> | <u>98.3</u> |

There are 200,000,000 authorised €1 non-redeemable preference shares of which 110,000,000 are allotted and fully paid. The non-redeemable preference shares carry a fixed cumulative preferential dividend of 6% payable annually in arrears on 31 March. The shares have no redemption entitlement. On winding up the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights except where the dividend is in arrears by six months or more, where a general meeting is convened to consider a purchase of the company's own shares or a reduction in capital or winding up or where the proposition to be submitted is to abrogate or vary the rights and privileges attached to the preference shares.

10. Called up share capital

| | 2021 £m | 2020 £m |
|--|-------------|-------------|
| Allotted, called up and fully paid | | |
| 89,631,607 (2020 - 89,631,607) Ordinary shares of £1.00 each | <u>89.6</u> | <u>89.6</u> |

RENTOKIL INITIAL (1993) LIMITED

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

11. Post balance sheet event

On 28 March 2022 the company subscribed for 475,000,000 ordinary shares of £1.00 each, in Broadcast Relay Services (Overseas) Limited.

12. Controlling party

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 Rentokil Initial plc, Compass House, Manor Royal, Crawley, West Sussex RH10 9PY.