Company registration number 02997052 (England and Wales)

# IFCO SYSTEMS UK LTD

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2021

# IFCO SYSTEMS UK LTD

## COMPANY INFORMATION

| | | |
|---|---|---|
| **Directors** | C. Taylor | |
| | Dr. J. Zu-Putlitz | |
| | M. Meierhofer | (Appointed 8 June 2021) |
| | M. B. Pooley | (Appointed 31 July 2020) |
| **Secretary** | FLR Nominees Limited | |
| **Company number** | 02997052 | |
| **Registered office** | Albert House<br>Queen Victoria Road<br>High Wycombe<br>Buckinghamshire<br>HP11 1AG | |
| **Auditor** | Rouse Audit LLP<br>55 Station Road<br>Beaconsfield<br>Buckinghamshire<br>HP9 1QL | |

# IFCO SYSTEMS UK LTD

## CONTENTS

# IFCO SYSTEMS UK LTD

## STRATEGIC REPORT

## *FOR THE YEAR ENDED 30 JUNE 2021*

The directors present the strategic report and financial statements of IFCO Systems UK Ltd for the year ended 30 June 2021.

**Fair review of the business**
Until 30 May 2019, the Company was part of a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. Following the divestment by Brambles, the Company was purchased by investment firms Triton and the Abu Dhabi Investment Authority (ADIA) on 31 May 2019.

The Company specialises in the pooling of reusable unit-load equipment and the provision of associated services, focusing on the management of returnable plastic containers (RPCs).

The Company has traded satisfactorily during the year and is continually innovating and developing its service offering to customers. The business is expected to continue to grow and to trade satisfactorily in the future.

The Company is wholly owned by IFCO Systems GmbH which is headquartered in Munich, Germany. IFCO Systems GmbH is ultimately owned by Triton and the Abu Dhabi Investment Authority (ADIA).

**Key performance indicators**
The Directors consider revenue growth to be one of the fundamental financial measures. Revenue was up 7.8% when excluding the impact on Revenue due to the Group's new Transfer Pricing model reflecting the strengthening of the Company's position in the UK market.

**Results**
The results for the year are set out in the statement of profit or loss and other comprehensive income on page 11.

**Financial Position**
The net assets of the Company have increased from £13,762,707 at 30 June 2020 to £20,117,440 at 30 June 2021. The revenue of the Company has increased from £85,537,609 at 30 June 2020 to £158,858,378, which is impacted by the implementation of the new Transfer Pricing model, at 30 June 2021.

The Directors consider the Company is in a strong and stable financial position to continue its current operations.

### Principal risks and uncertainties

**Financial instrument risk**
The Company manages its financial risk in conjunction with IFCO GmbH. The Company is exposed to a variety of financial and market based risks, including exposure to fluctuating interest and exchange rates. Standard financial derivatives are used by IFCO GmbH to manage financial exposure in the normal course of business in accordance with IFCO GmbH group policies. Dealings in financial derivatives are restricted by IFCO GmbH approved delegated authorities. No derivatives are used for speculative purposes. Derivatives are transacted predominately with relationship banks, with individual credit limits assigned to those banks thereby limiting exposure to credit-related losses in the event of non-performance by a counterparty.

**Funding and liquidity**
The Company borrows from or lends to other IFCO GmbH companies from time to time. To minimise foreign exchange risks IFCO GmbH borrowings are arranged in the currency of the relevant operating asset to be funded.

**Interest rate risk**
The IFCO GmbH's interest rate risk policy is designed to reduce volatility in funding costs through prudent selection of hedging instruments. This policy comprises maintaining a mix of fixed and floating rate instruments within a target band over a certain time horizon. The Company has no significant exposure to external interest rate risk.

**Foreign exchange risk**
The Company has transactional currency exposures which arise from sales and purchases in currencies other than its functional currency as well as the currency risk associated with intercompany transactions in various currencies. The IFCO GmbH's foreign exchange exposures are managed from the perspective of protecting the shareholder value. Under the IFCO GmbH group foreign exchange policy, foreign exchange hedging is mainly to hedge transaction exposures where they exceed a certain threshold, and as soon as a defined exposure arises. New exposures may arise with external parties or by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used for these purposes.

**Other risks and uncertainties**
The Company operates robust risk management processes to ensure recognition and appropriate escalation of key financial, commercial, compliance, reputational and environmental risks. We strive to ensure sound risk management is embedded in all decision making and performance management processes. The Directors believe that appropriate delegated authority and processes are in place to proactively manage emerging risks.

The principal risks and uncertainties of the IFCO GmbH group do not form part of this report but they are disclosed in the IFCO GmbH group report for 2021. Copies of the IFCO Group consolidated financial statements can be obtained from the Company Secretary at Zugspitzstraße 7, 82049 Pullach, Germany.

**Section 172 Statement**

*The likely consequence of any decision in the long term*

The Board plans future business performance annually looking to the following year and medium term but paying close regard to achieving sustainable business that can support all stakeholders and meet all business obligations.

*The interest of the company's employees*

The Board engage with employee regularly and value their contribution as a key stakeholder. The Board seek to maintain a safe working environment free from risk or injury or prejudice in which employees can contribute as fully as they can.

*The need to foster the company's business relationships with suppliers, customers and others*

The Board understands that no business can survive without customers to purchase its product nor suppliers to assist the fulfilment of customers' expectations. During the COVID-19 pandemic the company worked closely with customers affected to minimise financial pressures without passing those pressures onto suppliers.

*The impact of the company's operations on the community and the environment*

The Board values all locations in which it operates and seeks to contribute to local initiatives whilst maintaining the lowest possible disruptive footprint. For many years the Board has promoted reduced carbon emissions where it can and will continue to seek to drive down emissions. The first SECR report is included within the Director's report.

*The desirability of the company maintaining a reputation for high standards of business contact*

The company follows the IFCO Group Global Code of Conduct. All staff receive regular training and updates in acceptable corporate behaviour.

*The need to act fairly as between members of the company*

The company is a wholly owned subsidiary, so this requirement is not relevant.

On behalf of the board

..............................

C. Taylor
**Director**

Date: 25.07.2022..............................

The directors submit their report and the audited financial statements of IFCO Systems UK Limited ("the Company") for the year ended 30 June 2021.

**Results and dividends**
The results for the year are set out on page 11.

The company has not paid an interim dividend during the year (2020: Nil). The directors do not recommend payment of a final dividend (2020: Nil).

The Company is expected to continue to provide its management services in relation to RPCs with no significant changes for the foreseeable future. The Company entered into an RPC rental agreement with IFCO Systems GmbH effective 1 July 2020, per agreement the expected annual rental revenue, operating expenses and management charges will be determined at prescribed ratios.

**Directors**
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|---|---|
| C. Taylor | |
| W. Orgeldinger | (Resigned 31 July 2020) |
| Dr. J. Zu-Putlitz | |
| M. Meierhofer | (Appointed 8 June 2021) |
| M. B. Pooley | (Appointed 31 July 2020) |

**Going concern**
The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors assessment of going concern is shown in Note 1.2 to the financial statements.

**Financial instruments**
The financial risk management objectives and exposure to risks are discussed within the Strategic Report on page 2 in accordance with s414C (11) of the Companies Act 2006.

**Branches outside the UK**
The Company has one branch, registered in South Africa.

**Post reporting date events**
No material events occurred after the year end of 30 June 2021 and before the signing of the Company's financial statements.

**Energy and carbon report**

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 IFCO Systems UK Ltd are mandated to disclose UK energy use and associated greenhouse gas (GHG) emissions. As a minimum IFCO Systems UK Ltd are required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio, under the Streamlined Energy and Carbon (SECR) Regulations.

IFCO Systems UK Ltd have commissioned The Energy Hub to calculate GHG emissions required under the SECR regulations.

The period covered by SECR is 1st July 2020 to 30th June 2021 and calculations have been made for the following scopes:

- Building related energy - natural gas (scope 1) and electricity (scope 2)

IFCO Systems UK Ltd do not have any transportation other than electric forklifts. Emissions associated with the electric forklifts are reported within the groups overall electricity consumption.
IFCO Systems UK Ltd therefore have no scope 1 or scope 3 transport based emissions to report.

| | 2021 | 2020 |
|---|---|---|
| *Energy consumption* | **kWh** | **kWh** |
| Aggregate of energy consumption in the year | | |
| - Gas combustion | 3,037,890 | 2,786,840 |
| - Electricity purchased | 1,595,563 | 1,549,536 |
| | 4,633,453 | 4,336,376 |

| | 2021 | 2020 |
|---|---|---|
| *Emissions of CO2 equivalent* | **metric tonnes** | **metric tonnes** |
| Scope 1 - direct emissions | | |
| - Gas combustion | 558.60 | 512.40 |
| - Fuel consumed for owned transport | - | - |
| | 558.60 | 512.40 |
| Scope 2 - indirect emissions | | |
| - Electricity purchased | 372.00 | 361.30 |
| Scope 3 - other indirect emissions | | |
| - Fuel consumed for transport not owned by the | - | - |
| Total gross emissions | 930.60 | 873.70 |
| *Intensity ratio* | | |
| Tonnes CO2e per employee | 18.06 | 20.3 |

*Calculation methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

*Measures taken to improve energy efficiency*

No energy efficiency measures have been implemented over the reporting period.

**Statement of directors' responsibilities**
The directors are responsible for preparing the Strategic Report and 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 prepared 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* (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards , including FRS 101, 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 safeguard ing the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**
Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware, and
- the director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

..............................
C. Taylor
**Director**

Date: 25.07.2022

# IFCO SYSTEMS UK LTD

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF IFCO SYSTEMS UK LTD

**Opinion**
We have audited the financial statements of IFCO Systems UK LTD (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit 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.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

**Other information**
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

***Opinions on other matters prescribed by the Companies Act 2006***
In our opinion, based on the work undertaken in the course of our audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

**Responsibilities of directors**
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- Through discussions with the directors and other management we identified the laws and regulations applicable to the Company; and
- Focusing on the specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates detailed in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual bank transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)
## TO THE MEMBERS OF IFCO SYSTEMS UK LTD

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.

Rouse Audit LLP

**Bindi Palmer (Senior Statutory Auditor)**
**For and on behalf of Rouse Audit LLP**

Date: 25 July 2022

**Chartered Accountants**
**Statutory Auditor**

55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

# IFCO SYSTEMS UK LTD

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 JUNE 2021*

| | Notes | 2021<br>£ | 2020<br>as restated<br>£ |
|---|---|---|---|
| Turnover | 3 | 158,858,378 | 85,537,609 |
| Cost of sales | | (141,818,044) | (79,396,434) |
| **Gross profit** | | 17,040,334 | 6,141,175 |
| Administrative expenses | | (8,730,352) | (8,100,764) |
| Intercompany loan write off | 25 | - | (1,274,145) |
| Goodwill write off | | - | (1,916,971) |
| **Operating profit/(loss)** | 4 | 8,309,982 | (5,150,705) |
| Finance income | 8 | 30,779 | 7,972 |
| Finance cost | 7 | (506,745) | (634,666) |
| **Profit/(loss) before taxation** | | 7,834,016 | (5,777,399) |
| Tax on profit/(loss) | 9 | (1,479,283) | 1,562,877 |
| **Profit/(loss) and total comprehensive income for the financial year** | | 6,354,733 | (4,214,522) |

The notes on pages 14 to 27 are an integral part of these financial statements.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# IFCO SYSTEMS UK LTD

## BALANCE SHEET

*AS AT 30 JUNE 2021*

| | Notes | 2021<br>£ | 2020<br>as restated<br>£ |
|---|---|---|---|
| **Fixed assets** | | | |
| Property, plant and equipment | 12 | 1,678,561 | 2,232,412 |
| Right-of-use assets | 11 | 10,825,470 | 12,786,975 |
| | | 12,504,031 | 15,019,387 |
| **Current assets** | | | |
| Deferred tax asset | 16 | 57,922 | 437,100 |
| Other debtors | 13 | 27,130,837 | 23,141,490 |
| Cash at bank and in hand | | 7,472,898 | 4,726,947 |
| | | 34,661,657 | 28,305,537 |
| **Creditors: amounts falling due within one year** | 14 | (15,916,997) | (16,809,974) |
| **Net current assets** | | 18,744,660 | 11,495,563 |
| **Total assets less current liabilities** | | 31,248,691 | 26,514,950 |
| **Creditors: amounts falling due after more than one year** | 14 | (9,895,012) | (11,748,526) |
| **Provisions for liabilities** | | | |
| Other provisions | 17 | (1,236,239) | (1,003,717) |
| **Net assets** | | 20,117,440 | 13,762,707 |
| **Capital and reserves** | | | |
| Called up share capital | 20 | 1,000 | 1,000 |
| Profit and loss account | | 20,116,440 | 13,761,707 |
| **Total equity** | | 20,117,440 | 13,762,707 |

The notes on pages 14 to 27 are an integral part of these financial statements.

# IFCO SYSTEMS UK LTD

## BALANCE SHEET (CONTINUED)

### *AS AT 30 JUNE 2021*

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The financial statements were approved by the Board of directors and authorised for issue on ..25.07.2022..........

Signed on its behalf by:

..............................
C. Taylor
**Director**

**Company Registration No. 02997052**

# IFCO SYSTEMS UK LTD

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 30 JUNE 2021*

| | Notes | Share capital | Profit and loss reserves | Total |
|---|---|---|---|---|
| | | £ | £ | £ |
| **As restated for the year ended 30 June 2020:** | | | | |
| **Balance at 1 July 2019** | | 1,000 | 17,976,229 | 17,977,229 |
| **Year ended 30 June 2020:** | | | | |
| Loss and total comprehensive income for the year | | - | (2,940,377) | (2,940,377) |
| **Balance at 30 June 2020** | | 1,000 | 15,035,852 | 15,035,852 |
| Prior year adjustment | **25** | - | (1,274,145) | (1,274,145) |
| **Adjusted balance at 1 July 2020** | | 1,000 | 13,761,707 | 13,761,707 |
| **Year ended 30 June 2021:** | | | | |
| Profit and total comprehensive income for the year | | - | 6,354,733 | 6,354,733 |
| **Balance at 30 June 2021** | | 1,000 | 20,116,440 | 20,117,440 |

### 1 Accounting policies

**Company information**

Until 30 May 2019, IFCO Systems UK Ltd ("the Company") was part of a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. Following the divestment by Brambles, the Company was purchased by an investment firm Triton and the Abu Dhabi Investment Authority (ADIA) on 31 May 2019.

The Company specialises in the pooling of reusable unit-load equipment and the provision of associated services, focussing on the outsourced management of returnable plastic containers (RPCs).

The Company is a wholly owned subsidiary of the IFCO GmbH group, which is headquartered in Pullach, Germany.

IFCO Systems UK LTD is a private company limited by shares incorporated in England and Wales. The registered office is Albert House, Queen Victoria Road, High Wycombe, Buckinghamshire, HP11 1AG.

### 1.1 Accounting convention

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 ("the Act"). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

## 1 Accounting policies **(Continued)**

As permitted by FRS 101, in the preparation of these financial statements the Company has (where relevant) taken full advantage of the disclosure exemptions from the requirements of IFRS in relation to the following :

- share-based payments;
- business combinations;
- non-current assets held for sale and discontinued operations;
- financial Instruments;
- fair value measurement;
- presentation of comparative information in respect of certain assets;
- presentation of a cash flow statement
- a statement of financial position as at the beginning of the preceding period;
- capital management
- standards not yet effective
- related party transactions; and
- impairment of assets.

Where required, equivalent disclosures are given in the consolidated financial statements of Irel BidCo SARL and are available to the public.

### 1.2 Going concern

The Directors assessment has considered trading up to the date of signing these financial statements and to date revenues have proved resilient. While the directors expect the Company to continue to generate new revenues, the continuing impact of COVID-19 along with labour and transport shortages have provided challenges.

The Directors have also considered the certainty of future cash flows, with actual revenue lower than forecasted for 2022.

The Company will have sufficient funds to meet its liabilities and if additional funding is required, this can be received from its ultimate parent company, IFCO Systems GmbH. The ultimate parent company, IFCO Systems GmbH, has indicated that if required it will provide additional financial support. As the company is reliant on the continued support from ultimate parent company I FCO Systems GmbH the directors have assessed the intention and ability of IFCO Systems GmbH to continue to provide that support. IFCO Systems GmbH has indicated its intention to continue to make available such funds as are needed by the IFCO Systems UK Limited for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

**1 Accounting policies** **(Continued)**

**1.3 Turnover**

The Company is in the business of providing reusable plastic containers (RPC) for fruits, vegetables, meat, fish, eggs and bread to producers. The Company cooperate with both producers and retailers globally by accompanying producers along their supply chain from filling to shipment of agricultural goods and by making the logistic process as efficient as possible for retailers. Producers order RPCs directly and pay a rental fee for the one time usage of RPCs. Producers use the RPC for the purpose of shipment to a registered retailer. After delivery from the producer to the retailer the retailers are using the RPCs for the purpose of efficient distribution and placing the fresh produce in their shelves. Retailers arrange the RPCs for collection in central warehouses. After recollection of the RPCs and complementing the logistics cycle, The Company inspect all returned RPCs, and those RPCs which are not damaged and may be used further are washed, disinfected and prepared ready for reuse in a new cycle. Based on the Company's accounting policy the revenues generated from provision of pooling equipment to customers for a period and hence the contracts with these producers constitute a lease and hence revenue is recognised as IFRS 16.

The Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

**1.4 Goodwill**

Intangible assets represent purchased goodwill arising on the acquisition of the RPC business of CHEP UK Limited a former Brambles Group undertaking, on 1 October 2011, and is stated at cost less provision for impairment. Cost represents the book carrying value on the date of transition to IFRS on 30 June 2016.

**1.5 Tangible fixed assets**

Land and buildings comprise mainly service centres for pooling equipment and offices. Land and buildings are stated at historical cost less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| Leasehold improvements | 5 years |
| Fixtures, fittings and equipment | 10 years |
| Plant and machinery | 3-10 years |
| Right of use assets - Land and buildings | Length of the lease |
| Right of use assets - Motor vehicles | Length of the lease |

**1 Accounting policies** **(Continued)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 12).

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

**1.6 Impairment of tangible and intangible assets**

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

**1.7 Cash at bank and in hand**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**1.8 Financial assets**

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Derecognition takes place when the company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows are attributable to the instrument are passed through to an independent third party.

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

**1 Accounting policies** **(Continued)**

Financial assets are recognised on balance sheet when the Company becomes a party to the contractual provisions of the instrument. Derecognition takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

***Trade and other receivables***
Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

***Impairment of financial assets***
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

***Derecognition of financial assets***
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**1.9 Financial liabilities**
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.

***Other financial liabilities***
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

***Borrowing costs***
All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**1 Accounting policies** **(Continued)**

**1.10 Equity instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders ' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Deferred tax***

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements . However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**1.12 Provisions**

Provisions for dilapidations are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**1 Accounting policies** **(Continued)**

**1.13 Retirement benefits**

The Company's post-employment schemes comprise a defined contribution pension plan.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**1.14 Leases**

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

**1 Accounting policies** **(Continued)**

**1.15 Foreign exchange**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income.'

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

**Key sources of estimation uncertainty**

**Deferred income**

There is an estimate for a sales credit note accrual included in the financial statements. The accrual is to recognised the credit notes issued for deposits on nesting tray sales which have not been returned before the year end.

The calculation is based on total quantities of rental invoices and deposit credits since 2011. Each rental sale should have an associated deposit credit when the trays are returned. It is not possible to see which specific rentals have been credited, so total quantities of all rentals and credits are used to calculate the difference. An estimated value is then calculated from the quantities for each tray type using historic data of sales quantities and prices for each retailer.

**Dilapidations provision**

The dilapidations provision is based on the estimated total cost of remedial works for each property leased. These costs include painting, cleaning, repairs and dismantling are based on a combination of reports from external surveyors and internal estimations based on past experience taking into account tenant requirements stated in the lease.

## 3 Turnover

An analysis of the company's turnover is as follows:

**Geographical market**

| | 2021 £ | 2020 £ |
|---|---|---|
| UK | 88,904,833 | 84,044,116 |
| Europe | 68,899,443 | 866,075 |
| Rest of World | 1,054,102 | 627,418 |
| | 158,858,378 | 85,537,609 |

## 4 Operating profit/(loss)

| | 2021 £ | 2020 as restated £ |
|---|---|---|
| Operating profit/(loss) for the year is stated after charging/(crediting): | | |
| Wages and salaries | 2,034,771 | 1,873,889 |
| Social security costs | 234,254 | 244,666 |
| Other pension costs | 236,854 | 193,130 |
| Staff costs | 2,505,879 | 2,311,685 |
| Net foreign exchange losses/(gains) | 577,149 | 293,623 |
| Audit fees payable to the Company's auditor | 2,535 | 71,517 |
| Depreciation of property, plant and equipment | 593,098 | 645,130 |
| Depreciation - leased assets | 1,961,506 | 2,120,889 |

## 5 Employees

*The average monthly number of persons (including directors) employed by the company during the year was:*

| | 2021 Number | 2020 Number |
|---|---|---|
| Administration | 22 | 21 |
| Warehouse | 16 | 15 |
| Sales | 13 | 7 |
| | 51 | 43 |

## 6 Directors' remuneration

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Remuneration for qualifying services | 230,798 | 223,381 |

Two (2020: two) of the Directors did not receive emoluments or any other benefits as described in Schedule 5 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the Company during the year (2020: Nil). Those directors receive remuneration from IFCO Systems GmbH as employees of that Company and, due to the non-executive nature of their services, it is not appropriate to make an apportionment of their emoluments in respect of the Company.

*Remuneration disclosed above include the following amounts paid to the* highest paid director:

| | | |
|---|---|---|
| Remuneration for qualifying services | 230,798 | 223,381 |

## 7 Interest payable and similar expenses

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Interest paid to group undertakings | - | 10,107 |
| Other interest | 506,745 | 624,559 |
| | 506,745 | 634,666 |

## 8 Interest receivable and similar income

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Interest income** | | |
| Interest on bank deposits | 9,178 | 7,972 |
| Interest receivable from group companies | 21,601 | - |
| Total income | 30,779 | 7,972 |

## 9 Taxation

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Current tax** | | |
| UK corporation tax on profits for the current period | 1,105,320 | - |
| Adjustments in respect of prior periods | (5,215) | (1,126,947) |
| **Total UK current tax** | 1,100,105 | (1,126,947) |
| Foreign taxes and reliefs | - | 22,157 |
| | 1,100,105 | (1,104,790) |

### 9 Taxation (Continued)

| | 2021 £ | 2020 £ |
|---|---|---|
| **Deferred tax** | | |
| Origination and reversal of temporary differences | 379,178 | (458,087) |
| **Total tax charge/(credit)** | 1,479,283 | (1,562,877) |

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment is after the balance sheet date, deferred tax balances as at 30 June 2021 continue to be measured at a rate of 19%.

Tax expense for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for the year ended 30 June 2021 of 19% (2020: 19%). The differences are explained below:

| | 2021 £ | 2020 £ |
|---|---|---|
| Profit/(loss) before taxation | 7,834,016 | (5,777,399) |
| Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2020: 19.00%) | 1,488,463 | (1,097,706) |
| Effect of expenses not deductible in determining taxable profit | 1,278 | 38,778 |
| Adjustment in respect of prior years | (5,215) | (1,134,051) |
| Effect of change in UK corporation tax rate | (13,901) | 1,633 |
| Depreciation on assets not qualifying for tax allowances | 10,565 | - |
| Amortisation on assets not qualifying for tax allowances | - | 364,224 |
| Effect of overseas tax rates | - | 22,157 |
| Deferred tax adjustments in respect of prior years | (684) | - |
| Effect of intercompany loan write off | - | 242,088 |
| Super-deduction expenditure | (1,223) | - |
| **Taxation charge/(credit) for the year** | 1,479,283 | (1,562,877) |

### 10 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

| | 2021 | 2020 as restated |
|---|---|---|
| | £ | £ |
| In respect of: | | |
| Goodwill | - | 1,916,971 |
| Intercompany loan write off | - | 1,274,145 |
| | | |
| Recognised in: | | |
| Administrative expenses | - | 3,191,116 |

## 11 Right of use assets

| | Land and buildings | Motor vehicles | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| **At 30 June 2020** | 14,661,346 | 246,518 | 14,907,864 |
| Disposals | - | (5,032) | (5,032) |
| At 30 June 2021 | 14,661,346 | 241,486 | 14,902,832 |
| **Amortisation and impairment** | | | |
| At 30 June 2020 | 1,926,476 | 194,413 | 2,120,889 |
| Charge for the year | 1,926,476 | 35,029 | 1,961,505 |
| Eliminated on disposals | - | (5,032) | (5,032) |
| At 30 June 2021 | 3,852,952 | 224,410 | 4,077,362 |
| **Carrying amount** | | | |
| At 30 June 2021 | 10,808,394 | 17,076 | 10,825,470 |
| At 30 June 2020 | 12,734,870 | 52,105 | 12,786,975 |

## 12 Tangible fixed assets

| | Leasehold improvements | Plant and machinery | Fixtures, fittings and equipment | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 July 2020 | 963,437 | 8,147,699 | 281,802 | 9,392,938 |
| Additions | - | 39,247 | - | 39,247 |
| At 30 June 2021 | 963,437 | 8,186,946 | 281,802 | 9,432,185 |
| **Accumulated depreciation and impairment** | | | | |
| At 1 July 2020 | 963,437 | 6,116,623 | 80,466 | 7,160,526 |
| Charge for the year | - | 567,396 | 25,702 | 593,098 |
| At 30 June 2021 | 963,437 | 6,684,019 | 106,168 | 7,753,624 |
| **Carrying amount** | | | | |
| At 30 June 2021 | - | 1,502,927 | 175,634 | 1,678,561 |
| At 30 June 2020 | - | 2,031,076 | 201,336 | 2,232,412 |

## 13 Debtors

| | 2021 | 2020 as restated |
|---|---|---|
| | £ | £ |
| Trade debtors | 19,319,815 | 18,833,186 |
| Corporation tax recoverable | 337,457 | 1,422,996 |
| Amounts due from fellow group undertakings | 3,397,545 | 1,961,154 |
| Prepayments and accrued income | 4,076,020 | 924,154 |
| | 27,130,837 | 23,141,490 |

Included within amounts due from group undertakings is an amount of £228,053 due from IFCO Management GmbH. The loan has a principle amount of £10,000,000 and is intended as a facility with no fixed repayments. The loan has a fixed term of 3 years from 18 June 2019. Interest of this loan is established at arm's length as determined in accordance with the agreement until the final settlement of the loan.

All other amounts due from group undertakings are unsecured, interest free have no fixed date of repayment and are repayable on demand.

## 14 Creditors

| | | Due within one year | | Due after one year | |
|---|---|---|---|---|---|
| | | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| Trade creditors | | 1,960,419 | 6,945,260 | - | - |
| Taxation and social security | | 1,326,655 | - | - | - |
| Accruals and deferred income | | 10,846,310 | 8,146,527 | - | - |
| Other creditors | | 82,723 | 70,088 | - | - |
| Loans and overdrafts | 15 | - | - | 188,444 | 188,444 |
| Lease liabilities | 18 | 1,700,890 | 1,648,099 | 9,706,568 | 11,560,082 |
| | | 15,916,997 | 16,809,974 | 9,895,012 | 11,748,526 |

### 15 Creditors: amounts falling due after more than one year

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Loans from fellow group undertakings | 188,444 | 188,444 |

Included within amounts due to Group undertakings is an amount of £188,444 due to IFCO Management GmbH (formerly Irel AcquiCo GmbH). This loan has a fixed term of 7 years from 18 June 2019 and bears interest of 4.5% plus EURIBOR per annum. This loan is secured with a fixed and floating charge over the assets of the company.

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

| | ACAs | Tax losses | Others | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Liability at 1 July 2019 | 25,191 | - | (4,204) | 20,987 |
| **Deferred tax movements in prior year** | | | | |
| Charge/(credit) to profit or loss | (37,613) | (424,678) | 4,204 | (458,087) |
| Asset at 1 July 2020 | (12,422) | (424,678) | - | (437,100) |
| **Deferred tax movements in current year** | | | | |
| Charge/(credit) to profit or loss | (45,500) | 424,678 | - | 379,178 |
| Asset at 30 June 2021 | (57,922) | - | - | (57,922) |

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

### 17 Provisions for liabilities

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| | 1,236,239 | 1,003,717 |

Movements on provisions:

| | £ |
|---|---|
| At 1 July 2020 | 1,003,717 |
| Additional provisions in the year | 232,522 |
| At 30 June 2021 | 1,236,239 |

**17 Provisions for liabilities** **(Continued)**

The balance at the 30 June 2021 comprises a provision for future dilapidation costs to which the Company was committed in relation to a repairing lease on the Company's Wakefield, Nuneaton, Warrington and Wellingborough business premises.

**18 Lease liabilities**

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Current liabilities | 1,700,890 | 1,648,099 |
| Non-current liabilities | 9,706,568 | 11,560,082 |
| | 11,407,458 | 13,208,181 |

| Amounts recognised in profit or loss include the following: | 2021 £ | 2020 £ |
|---|---|---|
| Interest on lease liabilities | 506,745 | 624,559 |
| Depreciation | 1,961,506 | 2,120,889 |

***The company's leasing activities and how these are accounted for:***

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

**19 Retirement benefit schemes**

**Defined contribution schemes**

The company contributes to a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £236,854 (2020: £193,130). The total amount payable at the year-end is £20,295 (2020: £18,476).

**20 Share capital**

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|---|---|---|---|---|
| **Ordinary share capital** | | | | |
| **Issued and fully paid** | | | | |
| Ordinary shares of £1 each | 1,000 | 1,000 | 1,000 | 1,000 |

**21 Controlling party**

The immediate parent undertaking is IFCO Systems GmbH which is incorporated in Germany.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Triton and the Abu Dhabi Investment Authority. Copies of the Group financial statements are available from IFCO Systems GmbH, Zugspitzr. 7, DE 82049 Pullach.

**22 Related party transactions**

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of IFCO Systems GmbH.

See Note 6 for disclosure of directors' remuneration.

There are no other related party transactions.

**23 Contingent liabilities**

There were no provisions for contingent liabilities made during year ended 30 June 2021 (2020: nil).

There are no capital commitments (2020: nil).

**24 Events after the reporting date**

On 11 April 2022 IFCO Systems UK Ltd entered into a cash collateral agreement with JP Morgan Chase bank. This was part of an agreement entered into in April 2022 to enable JP Morgan Chase bank to make BACS payroll payments to the employees of IFCO Systems UK Ltd though NatWest bank. An amount of £240,000 is held in a bank account with J P Morgan Chase bank as a guarantee. There is a first fixed charge and full title guarantee over the account and deposit.

**25 Prior year restatement**

**Reconciliation of equity**

| | 1 July 2019 £ | 30 June 2020 £ |
|---|---|---|
| Equity as previously reported | 17,977,229 | 15,036,852 |

**Reconciliation of loss for the financial period**

| | 2020 £ |
|---|---|
| Loss as previously reported | (2,940,377) |
| Prior year restatement | (1,274,145) |
| As restated | (4,214,522) |

**25 Prior year restatement** **(Continued)**

The company held an intercompany loan balance with Irel AcquiCo GmbH in 2020. This is shown within the amounts due from fellow group undertakings (2020 total: £3,046,855, including £1,274,145 due to Irel AcquiCo GmBH) in the balance sheet in the 2020 financial statements. The balance should have been impaired as was deemed irrecoverable at 30 June 2020. As such a prior year adjustment has been made to write off this loan in the 2020 comparative figures. This has been adjusted through the profit and loss account in the 2020 comparative numbers in these financial statements. There has been no impact on taxation in 2020.