

RENTOKIL INITIAL PLC

INITIAL ACCOUNTS

FOR THE PERIOD FROM 15 MARCH 2005 TO 30 JUNE 2005

REGISTERED NUMBER: 5393279



RENTOKIL INITIAL PLC

REPORT OF THE DIRECTORS

INITIAL ACCOUNTS

The directors present their report and the initial accounts of the company for the period from 15 March 2005 to 30 June 2005.

PRINCIPAL ACTIVITY/FUTURE DEVELOPMENTS

The company was incorporated on 15 March 2005 as part of a capital restructuring scheme and replaces Rentokil Initial 1927 plc as the ultimate holding company of the Rentokil Initial Group. The company's main business is and will continue to be that of an investment holding company for companies involved in providing business services. The company's income is derived from its investment in its subsidiary undertakings.

RESULTS

The company has not traded since incorporation and therefore no profit and loss account for the period from incorporation to 30 June 2005 has been presented.

DIRECTORS

B D McGowan	Chairman	Appointed 13 April 2005
D Flynn	Chief Executive	Appointed 13 April 2005
R C Payne	Finance Director	Appointed 15 March 2005
E F Brown	Executive Director	Appointed 13 April 2005
R Ward-Jones	Executive Director	Appointed 15 March 2005
		Resigned 13 April 2005
I Harley	Non-Executive Director	Appointed 13 April 2005
P J Long	Non-Executive Director	Appointed 13 April 2005
P Mason	Non-Executive Director	Appointed 13 April 2005
R R Spinney	Non-Executive Director	Appointed 13 April 2005
D Tatton-Brown	Non-Executive Director	Appointed 18 July 2005

POLICY IN RELATION TO THE PAYMENT OF SUPPLIERS

The company has no external suppliers and therefore there are no trade creditors at the period end from which to calculate creditor days.

RENTOKIL INITIAL PLC

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES.

For the purpose of the proposed distribution to shareholders, the directors are required by law to prepare initial accounts which have been properly prepared in accordance with section 273 of the Companies Act 1985.

The directors consider that, in preparing the financial statements for the period ended 30 June 2005 on pages 4 to 6, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The directors also consider that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on the going concern basis.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read 'R. Ward-Jones', written over a horizontal line.

R Ward-Jones
Secretary

23 August 2005

**AUDITORS' REPORT TO THE DIRECTORS OF RENTOKIL INITIAL PLC UNDER
SECTION 273(4) OF THE COMPANIES ACT 1985**

We have audited the initial accounts of Rentokil Initial plc on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2, you are responsible for the preparation of the initial accounts. It is our responsibility to form an independent opinion, based on our audit, of those initial accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the initial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the initial accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the initial accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the initial accounts.

Opinion

In our opinion the initial accounts for the period from 15 March 2005 to 30 June 2005 have been properly prepared within the meaning of section 273 of the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
23 August 2005

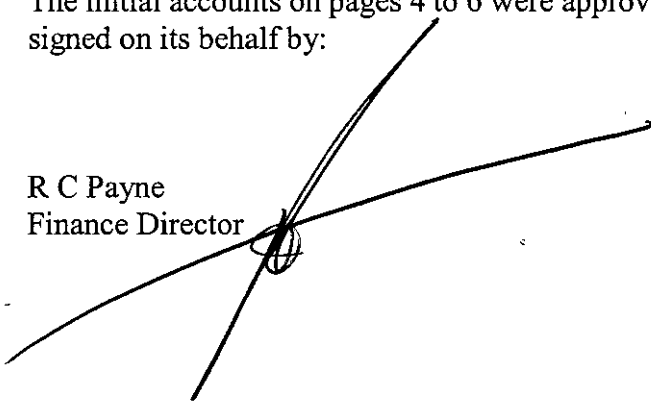
RENTOKIL INITIAL PLC

BALANCE SHEET AS AT 30 June 2005

	Notes	<u>£m</u>
FIXED ASSETS		
Investments	3	1,810.4
NET ASSETS		<u>1,810.4</u>
EQUITY CAPITAL AND RESERVES		
Share capital	4	18.1
Profit and loss account	5	1,792.3
CAPITAL EMPLOYED		<u>1,810.4</u>

The initial accounts on pages 4 to 6 were approved by the board on 23 August 2005 and were signed on its behalf by:

R C Payne
Finance Director



RENTOKIL INITIAL PLC

Notes to the initial accounts for the period ended 30 June 2005

1. Accounting policies

These financial statements do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 ("CA85"), but are initial accounts which have been prepared in view of proposed distribution to shareholders, in accordance with, and for the purposes of, section 273 of CA85. The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles and standards in the United Kingdom.

The company has applied the provisions for merger relief under s131 of CA85, no share premium was recorded in respect of the shares issued. The investment has also been recorded at the nominal value of shares issued under the provision of s133 of CA85 (provision supplementing s131 CA85).

Investments held as fixed assets are stated at cost, less provision for any impairment. In the opinion of the directors the value of such investments are not less than shown at the balance sheet date.

2. Costs

The company had not traded during the period and therefore no profit and loss account has been prepared or presented. Costs incurred by the company in respect of the shares issued and admission to the Official List of the UK Listing Authority were borne by Rentokil Initial 1927 plc. Directors' emoluments and fees for the period to 30 June 2005 were borne by Rentokil Initial 1927 plc but will be borne by the company with effect from 1 July 2005.

3. Investments

	<u>£m</u>
At 15 March 2005	-
Acquisition of Rentokil Initial 1927 plc	1,810.4
At 30 June 2005	<u>1,810.4</u>

With effect from 21 June 2005 the company acquired the entire share capital of Rentokil Initial 1927 plc by way of share exchange. 1 ordinary share of £1 in Rentokil Initial plc was exchanged for 1 ordinary share of 1p in Rentokil Initial 1927 plc. The mid-market price of Rentokil Initial plc shares on 21 June was 157.5p.

4. Share capital

	<u>£m</u>
Authorised	
4,100,000,000 ordinary shares of 1p each	41.0
	<u>41.0</u>

RENTOKIL INITIAL PLC

Notes to the initial accounts for the period ended 30 June 2005

4. Share capital (continued)

Issued and fully paid

At 15 March 2005 – 2 shares of £1 each	-
Issue of new share capital – 1,810,429,096 shares of £1 each	1,810.4
Reduction in nominal value of shares from £1 to 1p	(1,792.3)
	<hr/>
At 30 June 2005 – 1,810,429,098 shares of 1p each	18.1

The company was incorporated on the 15 March 2005 with an authorised share capital of £4,100,050,000 comprising 4,100,000,000 ordinary shares of £1 each and 50,000 fixed rate redeemable preference shares of £1 each. 2 Ordinary shares were allotted for cash, and fully paid, on incorporation. By a special resolution passed on 22 March 2005, all of the 50,000 of fixed redeemable preference shares were allotted for cash and were paid up as to one-quarter (by virtue of the holder giving an undertaking to pay up each share to such amount, pursuant to section 738(2) of the companies Act 1985). The balance of the amounts due was paid up on 23 June 2005 and on the same day these fixed redeemable preference shares were redeemed at par and cancelled.

On 21 June the company issued 1,810,429,096 shares of £1 each in exchange for 1,810,429,096 ordinary shares in Rentokil Initial 1927 plc. On 23 June 2005, the nominal value of the ordinary shares was reduced from £1 each to 1p each by way of a court approved capital reduction scheme in accordance with s135 of the Companies Act 1985.

5. Profit and loss account

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	£m
At 15 March 2005	-
Reduction in nominal value of shares	1,792.3
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At 30 June 2005	1,792.3

6. Subsequent events

The following events have occurred since 30 June 2005:

1. The company has met all the conditions precedent on its new committed borrowing facilities which have maturities of between one and two years of £578m and between four and five years of £733m.
2. The Rentokil Initial Pension Scheme was transferred to the company from Rentokil Initial 1927 plc on 1 July 2005.