

REGISTERED NUMBER: 05790857 (England and Wales)

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 OCTOBER 2018 TO 31 DECEMBER 2019
FOR
ENVIRONMENTAL CONTRACT SERVICES LIMITED**

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ENVIRONMENTAL CONTRACT SERVICES LIMITED

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for the Period 1 October 2018 to 31 December 2019**

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ENVIRONMENTAL CONTRACT SERVICES LIMITED

COMPANY INFORMATION
for the Period 1 October 2018 to 31 December 2019

DIRECTORS:	P P Wood	appointed 31/12/19
	J K Hampson	appointed 31/12/19 resigned 01/10/20
	S T Bohills	resigned 31/12/19
	G Harris	appointed 05/08/20

SECRETARY:	C Stead	appointed 31/12/19
	D L Bohills	resigned 31/12/19

REGISTERED OFFICE:	Riverbank Meadows Business Park Blackwater Camberley Surrey GU17 9AB
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REGISTERED NUMBER:	05790857 (England and Wales)
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ACCOUNTANTS:	Pinard & Co Ltd Lodge Farm Lower South Park Road South Godstone Surrey RH9 8LF
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ENVIRONMENTAL CONTRACT SERVICES LIMITED

REPORT OF THE DIRECTORS for the Period 1 October 2018 to 31 December 2019

The directors present their report with the financial statements of the Company for the period 1 October 2018 to 31 December 2019.

PRINCIPAL ACTIVITY

The Company is a subsidiary of Rentokil Initial plc Group ("the Group") and its principal activity in the period under review was that of providing washroom services.

On 31 December 2019 100% of the share capital of the Company was acquired by Rentokil Initial UK Limited.

DIRECTORS

The directors who have held office during the period from 1 October 2018 to the date of this report are as follows:

S T Bohills - resigned 31 December 2019

J K Hampson - appointed 31 December 2019

P P Wood - appointed 31 December 2019

G Harris was appointed as a director after 31 December 2019 but prior to the date of this report.

J K Hampson ceased to be a director after 31 December 2019 but prior to the date of this report.

SMALL COMPANIES NOTE

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of Rentokil Initial plc manage the risks of the Group at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risk would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2019 Annual Report which does not form part of this report.

In early 2020 a global pandemic of a new coronavirus, Covid-19, has arisen impacting all areas of operation of the Group of which the Company is an integral member. Given the uncertainty and the unknown duration of the Covid-19 pandemic and the reduced economic outlook, the directors of Rentokil Initial plc have assessed the Group's financial position and have modelled its cash flows for the next 18 months. This includes assessing the impact of Covid-19, factoring in severe but plausible downside scenarios on the Group's financial position, which would result in a further reduction in revenue and earnings. Despite these projections the Group is anticipated to remain within its liquidity headroom and within its banking covenants. While the Group will not be immune to the impact of Covid-19, its strategy has positioned it well to deal with the challenges of Covid-19.

ENVIRONMENTAL CONTRACT SERVICES LIMITED

**REPORT OF THE DIRECTORS
for the Period 1 October 2018 to 31 December 2019 (Continued)**

AUDITOR

In accordance with section 479A of the Companies Act 2006 relating to subsidiary companies, the company has opted to take exemption from audit.

DIVIDEND

An interim dividend of £24,000 was paid in the period. The Directors have not proposed a final dividend.

ON BEHALF OF THE BOARD:

GE Harris

Grace Harris (Dec 10, 2020 14:34 GMT)

.....
G Harris - Director

Date: 10 December 2020

ENVIRONMENTAL CONTRACT SERVICES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
for the Period 1 October 2018 to 31 December 2019

	Notes	Period 1.10.18 to 31.12.19 £	Year Ended 30.9.18 £
TURNOVER	3	592,997	485,190
Cost of sales		<u>139,599</u>	<u>108,915</u>
GROSS PROFIT		453,398	376,275
Administrative expenses		<u>381,234</u>	<u>310,401</u>
OPERATING PROFIT	5	72,164	65,874
Interest payable and similar expenses		<u>2,404</u>	<u>1,288</u>
PROFIT BEFORE TAXATION		69,760	64,586
Tax on profit	6	<u>13,996</u>	<u>12,849</u>
PROFIT FOR THE FINANCIAL PERIOD		55,764	51,737
Retained earnings at beginning of period		152,504	124,767
Dividends	7	<u>(24,000)</u>	<u>(24,000)</u>
RETAINED EARNINGS AT END OF PERIOD		<u><u>184,268</u></u>	<u><u>152,504</u></u>

There was no other comprehensive income for the period.

The notes form part of these financial statements

ENVIRONMENTAL CONTRACT SERVICES LIMITED (REGISTERED NUMBER: 05790857)

**BALANCE SHEET
31 December 2019**

	Notes	31.12.19 £	£	30.9.18 £	£
FIXED ASSETS					
Intangible assets	8		-		454
Tangible assets	9		<u>20,650</u>		<u>38,291</u>
			20,650		38,745
CURRENT ASSETS					
Stocks	10	7,231		6,954	
Debtors	11	75,453		88,945	
Cash at bank and in hand		<u>140,019</u>		<u>113,566</u>	
		222,703		209,465	
CREDITORS					
Amounts falling due within one year	12	<u>46,608</u>		<u>68,546</u>	
NET CURRENT ASSETS			<u>176,095</u>		<u>140,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			196,745		179,664
CREDITORS					
Amounts falling due after more than one year	13		(8,543)		(20,196)
PROVISIONS FOR LIABILITIES	14		<u>(3,924)</u>		<u>(6,954)</u>
NET ASSETS			<u>184,278</u>		<u>152,514</u>
CAPITAL AND RESERVES					
Called up share capital	15		10		10
Retained earnings	16		<u>184,268</u>		<u>152,504</u>
SHAREHOLDERS' FUNDS			<u>184,278</u>		<u>152,514</u>

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 for the period ended 31 December 2019.

The members have not required the Company to obtain an audit of its financial statements for the period ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

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

The financial statements were approved by the Board of Directors and authorised for issue on 10 December 2020 and were signed on its behalf by:

GE Harris
Grace Harris (Dec 10, 2020 14:34 GMT)
.....
G Harris - Director

The notes form part of these financial statements

ENVIRONMENTAL CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 October 2018 to 31 December 2019

1. STATUTORY INFORMATION

Environmental Contract Services Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

It is Company policy that the deferral of revenue invoiced not serviced has not been reflected.

Goodwill

Goodwill represents the amounts paid in connection with the acquisitions of businesses in 2007 and 2009. The goodwill on the 2007 acquisition was written off in full in the period in which it was incurred. The goodwill on the acquisition in 2009 is being written off over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office	- 10% on reducing balance
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 20% on cost
Computer equipment	- 20% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

ENVIRONMENTAL CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Period 1 October 2018 to 31 December 2019

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

Included in Turnover is £36,782 of revenue invoiced not serviced at the year end. No deferral of this revenue has been reflected in these accounts. This policy has been operated consistently over the years and the effect on Turnover in these accounts is therefore considered immaterial.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 9 (2018 - 10).

5. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.10.18 to 31.12.19 £	Year Ended 30.9.18 £
Depreciation - owned assets	6,081	9,146
Goodwill amortisation	<u>454</u>	<u>4,791</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 1.10.18 to 31.12.19 £	Year Ended 30.9.18 £
Current tax:		
UK corporation tax	17,026	9,260
Deferred tax	<u>(3,030)</u>	<u>3,589</u>
Tax on profit	<u>13,996</u>	<u>12,849</u>

7. DIVIDENDS

	Period 1.10.18 to 31.12.19 £	Year Ended 30.9.18 £
Interim and final	<u>24,000</u>	<u>24,000</u>

ENVIRONMENTAL CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 1 October 2018 to 31 December 2019

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 October 2018	
and 31 December 2019	<u>47,918</u>
AMORTISATION	
At 1 October 2018	47,464
Amortisation for period	<u>454</u>
At 31 December 2019	<u>47,918</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>-</u></u>
At 30 September 2018	<u><u>454</u></u>

9. TANGIBLE FIXED ASSETS

	Office £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2018	6,709	440	75,518	1,699	84,366
Disposals	<u>(6,709)</u>	<u>(440)</u>	<u>(10,613)</u>	<u>(1,699)</u>	<u>(19,461)</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>64,905</u>	<u>-</u>	<u>64,905</u>
DEPRECIATION					
At 1 October 2018	5,017	439	39,274	1,345	46,075
Charge for period	-	-	15,473	-	15,473
Eliminated on disposal	<u>(5,017)</u>	<u>(439)</u>	<u>(10,492)</u>	<u>(1,345)</u>	<u>(17,293)</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>44,255</u>	<u>-</u>	<u>44,255</u>
NET BOOK VALUE					
At 31 December 2019	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>20,650</u></u>	<u><u>-</u></u>	<u><u>20,650</u></u>
At 30 September 2018	<u><u>1,692</u></u>	<u><u>1</u></u>	<u><u>36,244</u></u>	<u><u>354</u></u>	<u><u>38,291</u></u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 October 2018	
and 31 December 2019	<u>30,055</u>
DEPRECIATION	
At 1 October 2018	2,253
Charge for period	<u>9,392</u>
At 31 December 2019	<u>11,645</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>18,410</u></u>
At 30 September 2018	<u><u>27,802</u></u>

ENVIRONMENTAL CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 1 October 2018 to 31 December 2019

9. TANGIBLE FIXED ASSETS - continued

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

10. STOCKS

	31.12.19	30.9.18
	£	£
Stocks	<u>7,231</u>	<u>6,954</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	30.9.18
	£	£
Trade debtors	64,680	74,888
Other debtors	3,309	-
Prepayments and accrued income	<u>7,464</u>	<u>14,057</u>
	<u>75,453</u>	<u>88,945</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	30.9.18
	£	£
Hire purchase contracts	9,322	9,322
Trade creditors	9,264	28,106
Tax	17,026	9,260
Social security and other taxes	-	4,528
VAT	3,879	2,473
Other creditors	4,653	1,691
Directors' current accounts	-	11,057
Accruals and deferred income	<u>2,464</u>	<u>2,109</u>
	<u>46,608</u>	<u>68,546</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.19	30.9.18
	£	£
Hire purchase contracts	<u>8,543</u>	<u>20,196</u>

14. PROVISIONS FOR LIABILITIES

	31.12.19	30.9.18
	£	£
Deferred tax		
Accelerated capital allowances	<u>3,924</u>	<u>6,954</u>

	Deferred tax £
Balance at 1 October 2018	6,954
Provided during period	<u>(3,030)</u>
Balance at 31 December 2019	<u>3,924</u>

ENVIRONMENTAL CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Period 1 October 2018 to 31 December 2019

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 £	30.9.18 £
10	Ordinary	£1	<u>10</u>	<u>10</u>

16. RESERVES

	Retained earnings £
At 1 October 2018	152,504
Profit for the period	55,764
Dividends	<u>(24,000)</u>
At 31 December 2019	<u>184,268</u>

17. CONTROLLING PARTY

The Company's immediate parent is Rentokil Initial UK 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 statements of Rentokil Initial plc are available from Rentokil Initial plc, Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB.