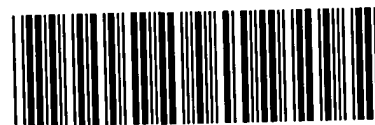


# **Berendsen Limited**

## **Report and financial statements**

Year ended 31 December 2019

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Company Registration Number: 1480047

## **Berendsen Limited**

### **Strategic report**

The Directors present their strategic report of the Company for the year ended 31 December 2019.

#### **Review of business and future developments**

The Company acts as an investment holding company for the Elis group.

The profit for the year ended 31 December 2019, after taxation, amounted to £19.4m (2018 loss: £15.9m).

In February 2019, the Company issued 871,850,00 ordinary shares of 30p to its parent company, Elis SA for £261,555,000 being a capitalisation of part of the amounts owed by the Company to Elis SA.

#### **Principal risks and uncertainties**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

##### *Cash flow and currency risk*

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. This risk is managed by entering into currency deals to convert cash balances into the presentational currency, as required. The Company is financially supported by its immediate parent company Elis SA.

##### *Credit risk*

The Company's principal financial assets are bank balances and cash and other receivables. For banks and financial institutions, and in line with group policy, only independently rated parties with a strong credit rating are accepted. The majority of other receivables are wholly within the Elis group.

##### *Liquidity risk*

Given that the Company acts as an investment holding company, the operational requirements are considered minimal. The Company operates wholly within the UK.

On behalf of the board



**Werner Dreyer**  
Director

23 February 2021

## **Berendsen Limited**

### **Directors' report**

The Directors present their annual report and audited financial statements of the Company for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the Company is to hold investments in subsidiary undertakings.

#### **Dividends**

The Directors do not recommend the payment of a dividend (2018: £57.4m).

#### **Directors**

The Directors, who served during the year and to the date of signing, unless otherwise indicated, were as follows:

Mark Franklin

Werner Dreyer (appointed on 18/1/2021)

Xavier Martiré

#### **Post balance sheet event**

The Directors have reviewed the potential effects of the COVID-19 virus on the Company. The Company is a group investment company investing in other Berendsen Group companies in Europe and does no other trading. The ultimate parent company Elis SA has issued a letter of comfort in favour of Berendsen UK group companies underwriting all intra-group balances and investments. Elis SA has audited net assets of €8.2 billion as at 31 December 2019. The net assets of the Company at 31 December 2019 are £803 million. On this basis, the Directors conclude that the Company is in an extremely strong financial position to manage the economic effects of COVID-19.

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. Directors' and Officers' liability insurance was also purchased and maintained throughout the financial year by the parent company in respect of the Company and its Directors.

## **Berendsen Limited**

### **Directors' report (continued)**

#### **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 the Directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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:

- o select suitable accounting policies and then apply them consistently;
- o make judgements and accounting estimates that are reasonable and prudent;
- o state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- o prepare 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the Company's website.

#### **Disclosure of information to the auditor**

Each Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware, as a director, of any relevant audit information and to establish that the auditor is aware of that information. As far as the Directors are aware, there is no relevant audit information of which the auditors is unaware.

This report was approved by the board on 23 February 2021 and signed on its behalf by:

  
**Werner Dreyer**  
Director

## **Berendsen Limited**

### **Independent auditor's report to the Members of Berendsen Limited**

We have audited the financial statements of Berendsen Limited for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In our opinion the financial statements:

- o give a true and fair view of the state of the Company's affairs as at and of its loss for the year then ended;
- o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- o 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.

#### **Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the Company's financial statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 14. Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK. The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company's trade and the wider economy.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- o the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- o the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the strategic and directors' reports, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Berendsen Limited**

### **Independent auditor's report (continued) to the Members of Berendsen Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- o 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
- o 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 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- o adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- o the financial statements are not in agreement with the accounting records and returns; or
- o certain disclosures of directors' remuneration specified by law are not made; or
- o 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 set out on page 5, 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.

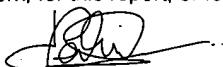
#### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit report**

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.



David Herbinet (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

United Kingdom  
23 February 2021

## Berendsen Limited

### Income Statement

for the year ended 31 December 2019

		Year ended 31 December 2019 £m	Year ended 31 December 2018 £m
	Notes		
Administrative expenses		(1.3)	(5.9)
Other operating expenses		(0.1)	(6.5)
Other operating income		27.0	-
<b>Operating profit/(loss)</b>	2	<b>25.6</b>	<b>(12.4)</b>
Analysed as:			
Operating profit/(loss) before exceptional items		22.8	(12.3)
Exceptional costs	5	2.8	(0.1)
Exceptional income		-	-
		<b>25.6</b>	<b>(12.4)</b>
Finance income	6	6.8	5.0
Finance costs	7	(8.6)	(12.0)
<b>Profit/(loss) before taxation</b>		<b>23.8</b>	<b>(19.4)</b>
Taxation	8	(4.4)	3.5
<b>Profit/(loss) for the year</b>		<b>19.4</b>	<b>(15.9)</b>

All results derive from continuing operations.

# Berendsen Limited

## Statement of Comprehensive Income for the year ended 31 December 2019

	Notes	Year ended 31 December 2019 £m	Year ended 31 December 2018 £m
<b>Profit/(loss) for the year</b>		<b>19.4</b>	<b>(15.9)</b>
<b>Items that cannot be subsequently reclassified into profit or loss:</b>			
Actuarial gains		9.8	3.6
		<u>9.8</u>	<u>3.6</u>
<b>Total comprehensive income/(expense) for the year</b>		<b><u>29.2</u></b>	<b><u>(12.3)</u></b>



# Berendsen Limited

## Balance Sheet

As at 31 December 2019

	Note	2019 £m	2018 £m
<b>Assets</b>			
<b>Fixed assets</b>			
Investments	9	990.0	990.0
Deferred tax asset	10	8.7	8.3
Pension scheme asset	11	27.3	15.6
<b>Total non-current assets</b>		<b>1,026.0</b>	<b>1,013.9</b>
<b>Current assets</b>			
Debtors	12	151.6	217.9
Cash and cash equivalents		0.3	11.9
		<b>151.9</b>	<b>229.8</b>
<b>Current liabilities</b>			
Amounts falling due within one year	13	(369.5)	(726.8)
Provisions	14		(2.3)
		<b>(369.5)</b>	<b>(729.1)</b>
<b>Net current liabilities</b>		<b>(217.6)</b>	<b>(499.3)</b>
<b>Deferred tax liabilities</b>	10	<b>(5.7)</b>	<b>(2.7)</b>
<b>Net assets</b>		<b>802.7</b>	<b>511.9</b>
<b>Equity</b>			
Share capital	15	313.4	51.8
Share premium		99.9	99.9
Other reserves		21.1	21.1
Capital redemption reserve		173.5	173.5
Retained earnings		194.8	165.6
<b>Total Equity</b>		<b>802.7</b>	<b>511.9</b>

The financial statements of Berendsen Limited (registered number: 1480047) were approved and authorised for issue by the Board of Directors on 23 February 2021. They were signed on its behalf by:

  
Werner Dreyer  
Director

# **Berendsen Limited**

## **Statement of Changes in Equity** for the year ended 31 December 2019

	Share capital	Share premium	Other reserves	Capital redemption reserve	Retained earnings	Total £m
At 1 January 2018	51.8	99.9	21.1	173.5	178.5	524.8
Loss for year	-	-	-	-	(15.9)	(15.9)
Actuarial gain recognised in pension scheme net of deferred tax	-	-	-	-	3.6	3.6
Purchase of own shares by the Employee Benefit Trust	-	-	-	-	(0.6)	(0.6)
At 31 December 2018	51.8	99.9	21.1	173.5	165.6	511.9
Share issue	261.6	-	-	-	-	261.6
Profit for the year	-	-	-	-	19.4	19.4
Actuarial gain recognised in pension scheme net of deferred tax	-	-	-	-	9.8	9.8
At 31 December 2019	313.4	99.9	21.1	173.5	194.8	802.7

## **Berendsen Limited**

### **Notes to the financial statements for the year ended 31 December 2019**

Berendsen Limited is a limited company incorporated and domiciled in the UK with a registered address of Intec 3, Wade Road, Basingstoke, RG24 8NE.

#### **1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior year.

##### ***Accounting convention***

These financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS101) and are presented as required by the Companies Act 2006 on a going concern basis under the historical cost convention.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, disclosure of key management personnel compensation and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of Elis SA which are available to the public.

IFRS 16, "Leases" became effective for reporting periods beginning on or after 1 January 2019. This IFRS has no material impact on the Company's Statement of Comprehensive Income or Balance sheet.

The Company is exempt from preparing consolidation financial statements under section 400 of the Companies Act 2006 as it is included within the consolidated financial statements of its ultimate and controlling parent undertaking

##### ***Going concern***

The major part of the Company's working capital requirements are provided by a loan from Elis SA, the ultimate parent company, which is repayable on demand. The directors of Elis SA have indicated that they will not demand repayment and will continue to support the Company. The Directors, having considered the above and made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the Company will continue in operation for the foreseeable future.

##### ***Foreign currencies***

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') 'Pounds Sterling' (£).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

Translation differences on non-monetary financial assets and liabilities such as foreign equity investments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

## **Berendsen Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **1 Accounting policies (continued)**

##### ***Investments***

Fixed asset investments are stated at cost less provision for impairment in value.

Investments denominated in foreign currencies are translated at historical rates of exchange.

##### ***Financial instruments***

Financial instruments comprise non-derivative financial assets and liabilities, including cash, deposits and borrowings.

Non-derivative financial assets are classified as either debtors or cash. Financial assets are stated at the lower of their initial cost and their estimated recoverable amount. Cash includes cash in hand and deposits held on call with banks. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

##### ***Debtors***

Debtors are recognised initially at fair value and subsequently at the initial value, less any provision for bad debts.

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash deposits held at banks.

##### ***Creditors***

Creditors are initially recognised at fair value and subsequently at the initial value.

## **Berendsen Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **1 Accounting policies (continued)**

##### ***Current and deferred income tax***

The current income tax charge/(credit) is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted at the balance sheet date in the UK.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits/losses and its results as stated in the financial statements.

Deferred income tax assets are not recognised to the extent that the transfer of future economic benefits is uncertain. Deferred tax assets and liabilities have not been discounted.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

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 taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax is recognised within profit except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

##### ***Pension obligations***

The Company participates in a defined benefit scheme with subsidiary undertakings and also has a defined contribution plan. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees' service in the current and prior periods.

The net asset recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the Company's share of the defined benefit obligation at the balance sheet date less the fair value of the Company's share of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

During the prior year there was a change of accounting policy on the defined benefit scheme, from the identifiable assets of the plan split between participating employers to accounting for the entire scheme within Berendsen Plc as the sponsoring employer, as management can no longer reasonably identify the asset split between all participating employers following a restructure. The participating employers will account for the scheme as if it were a defined contribution scheme as permitted under FRS101.

## **Berendsen Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

##### **Exceptional items**

Items that are non-recurring, or irregular, and material in size or non-operating in nature are presented as exceptional items in the income statement. The Directors are of the opinion that separate recording of exceptional items provides helpful information about the Company's underlying business performance.

##### **Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the end of the year.

The key assumptions about the future and key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities within the next 12 months are included below.

##### **Investments**

The Company has investments with a carrying value of £996.4 million (note 9). Investments designated as part of a fair value hedge are restated at the closing prevailing exchange rates. Investments not in a hedged arrangement are held at cost less provision for permanent impairment. There have been no impairment triggers during the year.

##### **Pensions and other post-employment benefits**

The Company operates a defined benefit scheme within the UK (note 11). As at 31 December 2019, the present value of the Company's defined benefit obligation for funded plans was an asset of £27.3 million. The calculations of the recognised assets and liabilities from such plans are based upon statistical and actuarial calculations. In particular the present value of the defined benefit obligation is impacted by assumptions on discount rates used to arrive at the present value of future pension liabilities, and assumptions on future increases in salaries and benefits. Furthermore, the Company's independent actuaries use statistically based assumptions covering areas such as future withdrawals of participants from the plan and estimates on life expectancy. The actuarial assumptions used may differ materially from actual results due to changes in market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants and other changes in the factors being assessed. These differences could impact the assets or liabilities recognised in the balance sheet in future periods. The last triennial valuation of the main UK pension scheme took place in February 2019 at which time it was concluded that no further additional funding through special contributions was required. The next valuation is due in February 2022.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 1 Accounting policies (continued)

##### Significant accounting judgements, estimates and assumptions (continued)

###### Provisions

Provisions for vacant properties, restructuring costs, legal, regulatory and environmental claims are recognised when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Other estimates, assumptions and judgements are applied by the Company. These include, but are not limited to, accruals and provisions for impairments of assets. These estimates, assumptions and judgements are also evaluated on a continual basis but are not significant.

#### 2 Operating profit/(loss)

	2019 £m	2018 £m
Operating profit/(loss) is stated after charging/(crediting)		
Loss on sale of property plant and equipment	-	0.1
Other operating lease rentals		
- property	-	0.3
Audit fees	-	0.1
Net foreign exchange (profit)/loss	(24.0)	6.0

#### 3 Staff costs

Staff costs for the company during the year, including directors:

	2019 £m	2018 £m
Wages and salaries	-	0.4
Social security costs	-	0.1
	-	0.5

###### Employee numbers

For the year to 31 December 2019 the average number of full time equivalent employees the Company had was nil (2018: 5).

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 4 Directors' emoluments

The Directors of the Company received no emoluments for services provided to this Company in the current and preceding financial year.

#### 5 Exceptional items

	2019 £m	2018 £m
<i>Exceptional costs</i>		
-Restructure and redundancy costs	1.1	(0.6)
-Onerous lease release	0.9	-
-Legal and Regulatory costs	0.8	0.5
	<u>2.8</u>	<u>(0.1)</u>



# Berendsen Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 6 Finance income

	2019 £m	2018 £m
Interest received from Group undertakings	6.8	5.0
Bank interest received	-	-
	<u>6.8</u>	<u>5.0</u>

### 7 Finance costs

	2019 £m	2018 £m
Interest paid to Group undertakings	2.8	2.8
Interest paid to Parent undertakings	5.2	9.0
Bank interest paid	0.6	0.2
	<u>8.6</u>	<u>12.0</u>

### 8 Taxation

	2019 £m	2018 £m
<b>(a) Analysis for the year:</b>		
<b>Current tax:</b>		
UK corporation tax charge	-	-
Amounts underprovided in previous years	3.9	-
	<u>3.9</u>	<u>-</u>
<b>Deferred tax:</b>		
Relating to origination and reversal of timing differences	0.5	(3.5)
Effect of change in deferred tax rates	-	-
Total deferred tax charge / (credit)	<u>0.5</u>	<u>(3.5)</u>
<b>Total tax charge / (credit) in the income statement</b>	<u>4.4</u>	<u>(3.5)</u>
<b>(b) Factors affecting current taxation for the year:</b>		
<b>Profit / (Loss) on ordinary activities before tax</b>	<u>23.8</u>	<u>(19.4)</u>
Profit / (Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	4.5	(3.7)
<b>Adjustments in respect of:</b>		
Expenses not deductible for tax purposes	(4.5)	0.7
Current year losses not recognised for deferred tax	-	-
Dividends received from subsidiaries	-	-
Amounts underprovided in previous years	3.9	-
Capital allowances in excess of depreciation	-	(0.3)
Other	-	(0.2)
Total deferred tax (credit)/charge	<u>0.5</u>	<u>(3.5)</u>
	<u>4.4</u>	<u>(3.5)</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 8 Taxation (continued)

The tax charge relating to components of other comprehensive income and equity is as follows:

	2019 £m	2018 £m
Currency translation differences	-	-
Actuarial losses/(gains)	(2.0)	(0.7)
Cash flow hedges	-	-
Total charged to comprehensive income	(2.0)	(0.7)
Tax credit relating to share-based payments	-	-
Total charged to equity	(2.0)	(0.7)
Analysed as:		
Current tax	-	-
Deferred tax (note 10)	(2.0)	(0.7)
	<u>(2.0)</u>	<u>(0.7)</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 9 Investments

	Total £m
<b>Cost</b>	
At 31 December 2018	996.4
Additions	-
Disposals	-
At 31 December 2019	<u>996.4</u>
<b>Impairment provisions</b>	
At 31 December 2018	6.4
Provided in year	-
At 31 December 2019	<u>6.4</u>
<b>Net book value</b>	
At 31 December 2019	<u>990.0</u>
At 31 December 2018	<u>990.0</u>

The Company owns issued share capital of the following companies, which are considered to be the principal subsidiary undertakings. All holdings are in the ordinary shares of the entities are 100%.

Company name	Country of Incorporation	Registered office
Berendsen UK Limited*	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance Limited*#	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Cleanroom Services Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Workwear Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Healthcare Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Hospitality Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Ireland Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Berendsen Northern Ireland Limited	N. Ireland	Murray House, Murray Street, Belfast, BT1 6DN, UK
Berendsen A/S#	Denmark	Edvard Thomsens Vej 14, 2300, Copenhagen, Denmark
Berendsen Textil Service A/S*	Denmark	Tobaksvejen 22, DK-2860, Søborg, Denmark
Berendsen Beteiligungs GmbH	Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
S Berendsen (Netherlands) BV	Holland	Pieter Calandweg 2, 6827 BK, Arnhem, Netherlands
S Berendsen AB	Sweden	Box 17143, 200 10, Malmö, Sweden
A S Svarmil Ltd.	Estonia	Kalevi 6, Kiviõli, 43122, Estonia
Berendsen Textile Service OY	Finland	Huurrekuja 5, Tuusuka, 4360, Finland
Berendsen Tekstil Service AS	Norway	P.O. Box 6650 Etterstad, Oslo, 0609, Norway
Berendsen GmbH	Austria	Schäfferhofstraße 17, 6971 Hard, Austria

\* Owned directly by Berendsen Limited, 5.2% of Berendsen Beteiligungs GmbH, Germany is owned by Berendsen Limited direct

# The principal activity of these companies is that of a holding company. The principal activity of all other companies is that of textile maintenance.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 9 Investments (continued)

The following is a list of entities which are included within the consolidated financial statements of Elis SA in which Berendsen Limited has an interest. All holdings are in the ordinary shares of the entities are 100%.

Berendsen Finance (DKK) Limited*	Midland Laundry Group Holdings Limited
Berendsen Finance (Euro 2) Limited	Midland Laundry Group Limited
Berendsen Finance (Euro) Limited*	Spring Grove Services Group Limited
Berendsen Nominees Limited*	Sunlight Clinical Solutions Limited
Davis (BIM) Limited*	Sunlight Textile Services Limited
Lakeland Pennine Group Limited	The Sunlight Service Group Limited

All the above are incorporated in England with a registered address of Intek 3, Wade Road, Basingstoke, RG24 8NE, UK

Company name	Country of incorporation	Registered office
Berendsen Supply Chain (Northern Ireland) Limited	N. Ireland	Murray House, Murray Street, Belfast, BT1 6DN, UK
Berendsen Finance Ireland (DKK) Limited*	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Berendsen Finance Ireland (Euro) Limited*	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Berendsen Finance Ireland (PLN) Limited*	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Berendsen Ireland Holdings Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Nanoclean Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
Steri-tex Limited	Ireland	Pottery Road, Dun Laoghaire, Co. Dublin, Ireland
BDF Holdings Limited	Scotland	11 Ladywell Avenue, Grangestone, Girvan, Ayrshire, Scotland, KA26 9PL, UK

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 9 Investments (continued)

Company name	Country of incorporation	Registered office
Berendsen Textile Service sp. zoo	Poland	ul. Duńska 1, Żukowo 83-330, Poland
Berendsen Textil Servis s.r.o.	Slovakia	Drietoma 920, Drietoma, 913 03, Slovakia
Berendsen Textile Service, UAB	Lithuania	Jankiškių g. 52, Vilnius, Lithuania
AS "Berendsen Tekstila Serviss"	Latvia	9 Bukaišu Street, Riga, , LV-1004, Latvia
Berendsen Textile Service A/S	Estonia	Lao 10 Nõo, Tartumaa, 61601, Estonia
Berendsen Sourcing AB	100.0% Sweden	Exportgatan 26 , SE-422 46, HISINGS BACKA, Sweden
Berendsen Textil Service AB	100.0% Sweden	Box 17143, 200 10, Malmö, Sweden
Berendsen Textil Service Filial I Finla	100.0% Finland	Box 17143, 200 10, Malmö, Sweden
Berendsen Textiel Service BV	100.0% Holland	Pieter Calandweg 2, 6827 BK, Arnhem, Netherlands
Groene Team BV	100.0% Holland	Sluispolderweg 36, 1505HK, Zaandam, Netherlands
Berendsen GmbH	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
Berendsen GmbH Füssen	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
Berendsen GmbH Glückstadt	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
Berendsen GmbH Meßkirch	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
Berendsen GmbH Nordost	100.0% Germany	Lindenstraße 61, 15517, Fürstenwalde, Germany
Berendsen GmbH Schleswig	100.0% Germany	Heinrich-Hertz-Straße 17, 24837, Schleswig, Germany
Berendsen GmbH West	100.0% Germany	Pettenkoferstraße 23, 58097, Hagen, Germany
Glückstadter Textilservice GmbH & C	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
Askulta Nord Textilpflege GmbH & Co	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
PTS Pinneberger Textil-Service GmbH	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany
TSL Textilservice - und Logistik GmbH	100.0% Germany	Lindenstraße 61, 15517 Fürstenwalde, Germany
Saniwo Textil-Gesellschaft mbH	100.0% Germany	Sachsenkamp 5, 20097 Hamburg, Germany
Decontam GmbH	100.0% Germany	Hofmannstraße 13-19, 91438 Bad Windsheim, Germany
Berendsen Textilservice GmbH	100.0% Germany	Sachsenkamp 5, 20097 Hamburg, Germany
Berendsen Group Services GmbH	100.0% Germany	Stadtstraße 3-7, 25349 Glückstadt, Germany

# Berendsen Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 10 Deferred tax

<i>Deferred tax assets</i>	Accelerated capital allowances	Tax losses	Total
	£m	£m	£m
at 31 December 2018	0.2	8.1	8.3
Charge in year	0.4		0.4
At 31 December 2019	<u>0.6</u>	<u>8.1</u>	<u>8.7</u>

The benefits of the deferred tax asset are expected to be received in more than one year.

<i>Deferred tax liabilities</i>	Pensions £m	Total £m
at 31 December 2018	(2.7)	(2.7)
Charge in year through income statement	(1.0)	(1.0)
Charge in year through other comprehensive income	(2.0)	(2.0)
At 31 December 2019	<u>(5.7)</u>	<u>(5.7)</u>

	2019 £m	2018 £m
Net deferred tax asset/(liability)	<u>3.0</u>	<u>5.6</u>
	<u>3.0</u>	<u>5.6</u>

Deferred tax balances relate to pensions, tax losses and other temporary differences. Deferred tax assets are only recognised where it is considered probable that these assets will be recovered.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 11 Pension

	2019 £m	2018 £m
<i>The amounts recognised in the balance sheet are determined as follows:</i>		
Present value of obligations	(340.9)	(314.1)
Fair value of plan assets	368.2	329.7
Net asset recognised in balance sheet	<u>27.3</u>	<u>15.6</u>

The Company participates in a defined benefit scheme with a subsidiary undertaking and a defined contribution plan. Following a group restructure, management can no longer separately identify each participating company's share of assets and liabilities of the plan, and so a change in accounting policy was adopted in the prior year whereby it is accounted for as a multi-employer scheme.

The following describes the UK registered defined benefit pension scheme (Berendsen DB (UK) Retirement Benefits Scheme). A triennial valuation was carried out at 1 February 2019 and signed off by the Pension Scheme's Trustees in January 2019. As at the triennial date (1 February 2019) the Scheme was fully funded (on an ongoing basis) so there was no requirement for additional contributions relating to a recovery plan to be paid into the Scheme. The next valuation is due in February 2022.

The level of benefits provided depends on each member's length of scheme membership and salary in the final years leading up to retirement. In the UK plan, the pensions in payment are generally increased by 5% in respect of pre-1 February 1999 membership, and by the retail price index for membership from that date. Benefit payments are made from trustee administered funds. Plan assets are governed by regulations in the UK, as is the nature of the relationship between the group and the trustees and their composition. Responsibility for governance of the plan, including investment decisions and contribution schedules, lies jointly with the Company and the Trustees. The Trustees must comprise representatives of the Company and plan members in accordance with legislation.

At the last valuation date the present value of the defined benefit obligation was comprised of 61 active employees, 1,370 deferred members and 1,395 members in retirement.

Expected contributions by the Company, including special contributions, to post employment benefit schemes for the year ended 31 December 2019 are £0.6 million (2018: £0.7 million).

The weighted average duration of the defined benefit obligation in the UK scheme is 19 years (2017: 19 years).

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 11 Pension (continued)

The actuarial valuation of the UK scheme has been updated as at 31 December 2018 by qualified actuaries using revised assumptions that are consistent with the requirements of IAS 19. The principal assumptions made by the actuaries were:

	2019	2018
	%	%
Rate of increase in pensionable salaries	2.5	3.0
Rate of increase in pensions in payment and deferred pension	2.6	3.0
Discount rate	2.1	2.9
Inflation rate – RPI	2.7	3.1
Inflation rate – CPI	1.9	2.1

#### Mortality rate

Assumptions regarding future mortality experience are set based on advice, published statistics and experience in each territory. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

	2019	2018
	years	years
Male	22.7	22.4
Female	23.5	24.8

The average life expectancy in years of a pensioner retiring at age 65, 20 years after the balance sheet date, is as follows:

	2019	2018
	years	years
Male	23.5	23.4
Female	25.5	26.0

Other assets consist principally of investments in managed multi-asset growth funds. The Company ensures that the investment position is managed within a framework that considers the Scheme's liability profile, funding position, expected return of the various asset classes and the need for diversification. Within this framework, the Company's objective is to ensure that sufficiently liquid assets are available to meet benefit payments and the Scheme's assets achieve a return that is consistent with the assumptions made by the Trustees in determining the funding of the Scheme.

A large portion of assets in 2019 consists of equities and bonds, although the Scheme also invests in diversified growth funds and a small amount of cash. The majority of equities are invested in a globally diversified portfolio of international blue chip entities with a target of 35% UK and 65% overseas. The other growth assets are the diversified growth funds which have a target of 32% of the overall portfolio. The remainder of the Scheme's assets are invested in corporate bonds.

The Trustees have received the employer's agreement to implement a Liability Driven Investment portfolio. This will use specialist assets that employ leverage, to match more of the Scheme's liabilities, for a given asset value, than a conventional bond. This portfolio change was implemented in 2018.



# Berendsen Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 11 Pension (continued)

	2019 £m	2018 £m
<i>The amounts recognised within profit for the year are as follows:</i>		
Current service cost	0.4	3.9
Interest cost	8.9	8.2
Return on plan assets	(9.4)	(8.6)
Administrative expenses	0.6	0.3
Total included within profit	<u>0.5</u>	<u>3.8</u>

	2019 £m	2018 £m
<i>Changes in the present value of the defined benefit obligation are as follows:</i>		
Present value of obligations as at 1 January	314.1	336.6
Current service cost	0.4	0.8
Past service cost	-	3.1
Interest cost	8.9	8.3
Actuarial loss/(gain)	29.3	(23.5)
Benefits paid	(11.9)	(11.2)
Contributions by members	0.1	-
Present value of obligations as at 31 December	<u>340.9</u>	<u>314.1</u>

	2019 £m	2018 £m
<i>Changes in the fair value of the plan assets are as follows:</i>		
Fair value of plan assets as at 1 January	329.7	351.1
Return on plan assets	9.4	8.6
Contributions – employee and employer	0.5	0.6
Benefits paid	(11.9)	(11.2)
Actuarial (loss)/gain	41.1	(19.1)
Administrative expenses	(0.6)	(0.3)
Fair value of plan assets as at 31 December	<u>368.2</u>	<u>329.7</u>

	2019 £m	2018 £m
<i>Actuarial gains and losses in the year may be further analysed as follows:</i>		
Return on plan assets	41.1	(19.1)
Gain from changes in demographic assumptions	9.8	2.2
Gain/(loss) from changes in financial assumptions	(33.6)	21.3
Gain from experience adjustments	(5.5)	-
Net actuarial gain recognised in the year	<u>11.8</u>	<u>4.4</u>

	2019 £m	2018 £m
<i>Cumulative actuarial gains and losses recognised in equity</i>		
as at 1 January	(69.3)	(73.7)
Net actuarial gain recognised in the year	11.8	4.4
as at 31 December	<u>(57.5)</u>	<u>(69.3)</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 11 Pension (continued)

The pension surplus is recognised in the balance sheet as the Company has the right to any surplus after settlement of all liabilities under the terms of the trust deed.

##### *Sensitivities*

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions, is set out below for the defined benefit schemes.

	<u>Impact on scheme liability</u>		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	-7.87%	8.95%
Salary growth rate	0.50%	0.07%	-0.06%
Pension growth rate	0.50%	2.29%	-2.12%
Life expectancy	1 year	4.61%	-4.49%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit to significant actuarial assumptions the same method has been applied when calculating the pension liability recognised within the statement of financial position.

#### 12 Debtors

	2019 £m	2018 £m
Other receivables	0.5	0.7
Prepayments	0.1	0.2
Corporation tax	-	3.8
Amounts due from Parent undertakings	-	0.3
Amounts due from Group undertakings	151.0	212.9
	<u>151.6</u>	<u>217.9</u>

Amounts owed by group undertakings are unsecured and have no fixed date of repayment or are repayable on demand.

#### 13 Creditors: amounts falling due within one year

	2019 £m	2018 £m
Bank overdrafts	-0.5	-
Corporation tax	0.1	-
Amounts due to Group undertakings	368.3	703.3
Amounts due to parent undertakings	0.6	23.2
Accruals and deferred income	-	0.3
	<u>369.5</u>	<u>726.8</u>

Amounts owed to group undertakings are unsecured and have no fixed date of repayment or are repayable on demand.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2019 (continued)

#### 14 Provisions

	Restruct- uring £m	Regulatory and legal £m	Total £m
<b>Cost</b>			
At 31 December 2018	1.2	1.1	2.3
Provided/(released) in year	(1.2)	(1.1)	(2.3)
Utilised in year	-	-	-
At 31 December 2019	-	-	-
Current	-	-	-
Non-current	-	-	-

#### 15 Share capital

	2019 £m	2018 £m
<b>Issued, called up and fully paid</b>		
1,044.5 million (2018: 172.6 million) Ordinary shares of £0.30 each	313.3	51.8

In February 2019, the Company issued 871,850,00 ordinary shares of 30p to its parent company, Elis SA for £261,555,000.

#### 16 Commitments

The Company has guaranteed the liabilities of its subsidiaries, Berendsen Ireland Limited, Berendsen Ireland Holdings Limited and Steri-Tex Limited pursuant to Section 17 of the Irish Companies (Amendment) Act 1986.

#### 17 Related party transactions

The Company has taken the exemption available to it under FRS 101 Reduced Disclosure Framework not to disclose its related party transactions with fellow group undertakings.

#### 18 Post balance sheet event

The Directors have reviewed the potential effects of the COVID-19 virus on the Company. The Company is a group investment company investing in other Berendsen Group companies in Europe and does no other trading. The ultimate parent company Elis SA has issued a letter of comfort in favour of Berendsen UK group companies underwriting all intra-group balances and investments. Elis SA has audited net assets of €8.2 billion as at 31 December 2019. The net assets of the Company at 31 December 2019 are £803 million. On this basis, the Directors conclude that the Company is in an extremely strong financial position to manage the economic effects of COVID-19.

#### 19 Ultimate parent undertaking and controlling party

The Company's immediate controlling party and the ultimate parent undertaking and controlling party is Elis SA, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Elis SA consolidated financial statements can be obtained at 5 Boulevard Louis Loucheur, F-92210 Saint-Cloud or online.