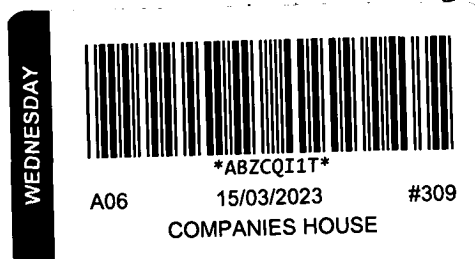


Tosca Services UK Ltd

Annual Report and Financial Statements

31 December 2021

Registered No. 04015336



Directors

E Frank

S Smith (resigned 01 January 2023)

A Dale (resigned 01 January 2023)

M Harrison (appointed 01 January 2023)

D Lee (appointed 01 January 2023)

Independent Auditors

PricewaterhouseCoopers LLP

One Chamberlain Square

Birmingham B3 3AX

Bankers

National Westminster Bank plc

2 St Philips Place

Birmingham B3 2RB

Registered Office

3rd Floor, Castlemill

Burnt Tree

Dudley

West Midlands

DY4 7UF

United Kingdom

Registered No. 04015336

Strategic report

Principal activities and review of the business

The principal activity of the company during the year was that of renting and trading of plastic packaging and transportation equipment.

The total revenue in 2021 was £31,633,331 compared to £26,847,920 in 2020. The company has benefitted from new customers that have increased the available channels to market.

Total earnings before interest and taxation ("EBIT") for 2021 was £1,120,525 compared to £29,676,569 in 2020, a decrease of 96.2%, which is due to no profit on disposal of investments (2020 - £28,242,830) being received in the year.

The total shareholders' funds as at 31 December 2021 was £4,742,690 (2020 - £4,309,684).

Future developments

Future developments are laid out in the Directors' Report.

Principal risks and uncertainties and financial risks management objectives and policies

The company's internal risk management procedures are integrated into its internal reporting procedures and business strategy. The company has implemented a KPI reporting system, both on weekly and monthly bases, these are monitored at weekly internal management meetings. The key performance indicators are:

	2021 £	2020 £
Rental income	23,951,492	19,235,362
Sale of goods	5,595,580	5,445,602
Freight revenues	2,086,259	2,166,956
Gross profit margin	12.54%	13.04%
Average number of employees (No.)	90	82

These actions ensure the company's executive management, and the board of directors are fully informed on a regular basis.

Here below we describe major risks categories that could materially affect the company's business, financial conditions, and operational result. The company may also face other risks, which to the present time may not be known to the company, or the company may consider them as less material, but in the future could have an adverse impact on the company business. These risks include Britain's exit from the European Union, which the Directors do not consider will have any significant impact on the company.

Customers' relations

The company's business segment is the retail market. The company has long term relations with most of its retail customers, which are maintained by the company's commitment to deliver excellent service.

Losing one or more of these customers can result in a materially negative impact on the company's revenue, profit and cash-flow.

Competition

The company faces competition both on the service and sales businesses. The competition for the service business is from both other service providers of Retail Ready Packaging and traditional packaging companies. The competition for the sales business comes mainly from other production companies of compatible equipment as that produced by the company. This competition may limit the company's ability to increase prices and negatively affect company revenues and profit.

Strategic report (continued)

Cash flow interest rate risk

The company exposure to the risk for changes in market interest rates relates primarily to the company's parent's long-term debt obligations. These obligations are held with a fixed interest rate and so the recent increases in interest rates has not affected the company's exposure.

Credit risk

The company trades with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not considered to be significant.

Financial Instruments

The company did not participate in any form of hedging transactions during the current financial year. Also, the company does not use forward exchange contracts relating to foreign currency transactions. Therefore, all foreign currency risk is incurred by the company.

Overall risk to operations

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe, which continued into 2021. In many countries, businesses were being forced to cease or limit operations for long or indefinite periods of time. Governments and central banks responded with monetary and fiscal interventions to stabilise economic conditions. The company primarily operates within the food supply chain industry and so is classed as an "essential service". The company continued to trade throughout the pandemic with measures put in place, as required, to minimise the risks of business interruption.

There are no other material exposures of the company relating to price risk, credit risk, liquidity risk and cash flow risk which is material for the assessment of the assets, liabilities, financial position and profit of the company.

On behalf of the Board



D Lee
Director

09 March 2023

Directors' report

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

As permitted, certain information regarding the company, including a review and analysis of the development and performance of the company's business during the year and a description of the principal risks and uncertainties facing the company are contained within the Strategic report.

Results and dividends

The Profit for the year after taxation amounted to £433,009 (2020 – £29,336,594). No dividend was paid during the year (2020 – £31,313,060).

Financial risks

Financial risks are laid out in the Strategic report.

Future developments

In 2022, the company will continue to focus on organic growth and meeting its business plan targets, managing the growth both on the service and the sales, and selectively pursuing new contract opportunities.

As a management team we will ensure that we have the resources in place to support the projected growth in 2022 and to identify and manage potential risks. We will continue to assimilate controls and balances, both via our computerised systems and via close monitoring of our main KPI's being EBIT and turnover.

The company remains focused on its customers' needs and continues to pursue its objective of becoming a leading Retail Ready Packaging solution provider to retailers and their suppliers, challenging new categories, and solving existing problems with innovative solutions.

The Board is confident in the ability of the company's management to deliver in the year ahead. The Board and management team continue to see opportunities for growth in our market.

On 12 January 2021 the Company changed its name from Polymer Logistics (UK) Limited to Tosca Services UK Ltd.

Going concern

The financial statements have been prepared on a going concern basis. The directors have concluded that this is an appropriate basis as the company has sufficient cash and current assets to meet its liabilities as it falls due for the foreseeable future, and it is expected that the company will continue to be cash generative and profitable. In drawing this conclusion, the directors have considered the cross guarantees in place on group banking facilities.

The company has considered the impact of COVID-19 on the company's financial statements, due to the nature of the company's contracts and main customers, no material impacts, or uncertainties have been identified which require adjustment or disclosure in the financial statements.

Directors' report (continued)

Directors

The directors who served the company during the year, and up to the date of approval of the financial statements, were as follows:

E Frank

S Smith (resigned 1 January 2023)

A Dale (resigned 1 January 2023)

M Harrison (appointed 1 January 2023)

D Lee (appointed 1 January 2023)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

The financial statements on pages 11 to 26 were approved by the Board of Directors on 09 March 2023 and signed on its behalf by



D Lee
Director

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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



D Lee
Director
09 March 2023

Independent auditors' report to the members of Tosca Services UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Tosca Services UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of Tosca Services UK Ltd (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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.

Independent auditors' report to the members of Tosca Services UK Ltd (continued)

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and profits and the manipulation of accounting estimates and judgements which could be subject to management bias. Audit procedures performed by the engagement team included:

- Discussions with management around consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

9 March 2023

Statement of comprehensive Income

for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	31,633,331	26,847,920
Cost of sales		(27,667,174)	(23,078,894)
Gross Profit		3,966,157	3,769,026
Distribution costs		(191,152)	(183,432)
Administrative expenses		(2,654,792)	(2,151,855)
Operating Profit	4	1,120,213	1,433,739
Profit on disposal of investments		-	28,242,830
Profit on disposal of tangible fixed assets		312	-
Interest payable and similar expenses	7	(446,254)	(251,316)
Profit before taxation		674,271	29,425,253
Income tax charge	8	(241,262)	(88,659)
Profit for the financial year		433,009	29,336,594
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total Comprehensive Income for the year		433,009	29,366,594

The notes on pages 13 to 25 form an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2021

	<i>Called up share capital</i>	<i>Share premium account</i>	<i>Capital contribution reserve</i>	<i>Equity benefits reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£	£	£	£
Restated at 1 January 2020	3	1,414,701	4,665,134	67,571	2,814,372	8,961,781
Profit for the year	-	-	-	-	29,336,594	29,336,594
Capital Contribution	-	-	222,309	-	-	222,309
Repayment of Capital Contribution	-	-	(2,897,940)	-	-	(2,897,940)
Dividend paid (note 15)	-	-	-	-	(31,313,060)	(31,313,060)
At 31 December 2020	3	1,414,701	1,989,503	67,571	837,906	4,309,684
Profit for the year	-	-	-	-	433,009	433,006
Dividend paid (note 15)	-	-	-	-	-	-
At 31 December 2021	3	1,414,701	1,989,503	67,571	1,270,915	4,472,690

The notes on pages 13 to 25 form an integral part of these financial statements.

Balance sheet

at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	<u>5,968,635</u>	<u>3,429,463</u>
		5,968,635	3,429,463
Current assets			
Stocks	10	384,639	164,022
Debtors	11	13,053,616	7,148,973
Cash at bank and in hand		<u>862,962</u>	<u>3,222,423</u>
		14,301,217	10,535,418
Creditors: amounts falling due within one year	12	<u>(10,853,802)</u>	<u>(7,496,634)</u>
Net current assets		3,447,415	3,038,784
Total assets less current liabilities		9,416,050	6,468,247
Creditors: amounts falling due after more than one year	13	(4,480,315)	(2,071,063)
Provisions for liabilities			
Deferred taxation	8	<u>(193,042)</u>	<u>(87,500)</u>
		4,742,693	4,309,684
Capital and reserves			
Called up share capital	14	3	3
Share premium account		1,414,701	1,414,701
Capital contribution reserve		1,989,503	1,989,503
Equity benefits reserve		67,571	67,571
Profit and loss account		<u>1,270,915</u>	<u>837,906</u>
Total equity shareholders' funds		4,742,693	4,309,684

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D Lee
Director

09 March 2023

The notes on pages 13 to 25 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2021

1. General information

Tosca Services UK Ltd is a private company, limited by shares, registered and domiciled in England and Wales. The registration number is 04015336.

The registered office is 3rd Floor, Castlemill, Burnt Tree, Dudley, West Midlands, DY4 7UF.

2. Accounting policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with FRS101, Reduced Disclosure Framework and the Companies Act 2006.

The company's financial statements are presented in Sterling, being the companies presentational and functional currency, and all values are shown in £'s except where otherwise indicated.

The financial statements contain information about Tosca Services UK Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, APAX Partners LLP, a company incorporated in England and Wales.

The financial statements have been prepared on a historical cost basis.

The accounting policies which follow set out these policies which apply in preparing the year-end financial statements for the year ended 31 December 2021. The accounting policies have been applied consistently, other than where new policies have been adopted.

The company has taken advantage of the following disclosure exemptions available under FRS 101:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the company;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures; and
- The requirements of the second sentence of paragraph 110 and from paragraphs 113(a) to 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'.

Going concern

The financial statements have been prepared on a going concern basis. The directors have concluded that this is an appropriate basis as the company has sufficient cash and current assets to meet its liabilities as it falls due for the foreseeable future and it is expected that the company will continue to be cash generative and profitable. In drawing this conclusion, the directors have considered the cross guarantees in place on group banking facilities.

The company has considered the impact of COVID-19 on the company's financial statements, due to the nature of the company's contracts and main customers, no material impacts or uncertainties have been identified which require adjustment or disclosure in the financial statements.

Notes to the financial statements

for the year ended 31 December 2021

2.2 Judgements and key sources of uncertainty

In applying the company's accounting policies, which are described in Note 2.3, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities.

- The company makes an estimate of the recoverable value of trade debtors by considering factors including the age profile and historic experience and credit rating.
- The company makes an estimate of the recoverability of the cost of stock by considering factors such as the nature and condition of the stock as well as future demand.
- The annual depreciation charge is based on the estimated useful economic life of the assets. Useful lives are assessed annually as amended when necessary.

2.3 Significant accounting policies

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Differences arising on settlement or translation of monetary items are recognised in the income statement.

Tangible fixed assets

All fixed assets are initially recorded at cost and provision for impairment made where required.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	–	over 7 1/2 years
Rental equipment	–	over 5 to 7 years
Computer equipment	–	over 3 years

Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

A tangible fixed asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset is included in the income statement in the period of derecognition.

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Financial Instruments

a. Financial Assets

Financial assets are classified at initial recognition as financial assets at fair value through profit or loss or loans and receivables. The company has no derivatives designated as hedging instruments.

The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through the profit and loss.

Purchases or sales of financial assets that require delivery of assets with a time frame established by regulation or convention in the marketplace are recognised at the date of trade.

The company's financial assets include cash, trade and other receivables and loans.

Subsequent measurement of financial assets depends on their classification as described below:

Notes to the financial statements

for the year ended 31 December 2021

2.3 Significant accounting policies (continued)

Financial assets at fair value through the profit and loss include financial assets held for trading and financial assets designated upon recognition at fair value through profit and loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with gains or losses recognised in the income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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

A financial asset is derecognised where the rights to receive cash flows from the asset have expired.

b. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the profit and loss, loans or borrowings. The company has no financial liabilities designated as hedging instruments. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, bank overdraft, loans and borrowings.

The subsequent measurement of financial liabilities depends on their classification as described below. Financial liabilities at fair value through the profit and loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through the profit and loss.

Financial liabilities are classed as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit and loss are carried in the balance sheet at fair value with gains or losses recognised in the income statement.

Loans and borrowings – after initial recognition, interest bearing loans and borrowings are subsequently measured and amortised at cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand. The company had no cash on deposit.

Stocks

Stocks are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are included using the average cost method.

Notes to the financial statements

for the year ended 31 December 2021

2.3 Significant accounting policies (continued)

Trade and other debtors

Trade debtors, which generally have 30-90 days terms are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. A provision is recorded when there is objective evidence that the company will not be able to collect the debts. Balances are written off when the probability of recovery is assessed as being remote. The company has also considered the need for an expected credit loss provision; the amount recognised is included in note 13.

Leases

Assets held under finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statements so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax losses or tax credits can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets and liabilities is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Right-of-use assets and lease liabilities

The company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Notes to the financial statements

for the year ended 31 December 2021

2.3 Significant accounting policies (continued)

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment under IAS36. The right-of-use assets are presented in 'Tangible Fixed Assets' in accordance with IFRS 16.

ii) Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has the option, under its lease arrangements to lease the assets for additional terms. The company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The transaction price will be allocated to each performance obligation based on the stand alone selling prices. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these. The company's activities are described in detail below. The company bases its estimate of the return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods:

Revenues from sales are recognised when control of the goods has passed to the buyer, being when the products are delivered to the customer, the customer has full discretion over the use of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the

Notes to the financial statements

for the year ended 31 December 2021

2.3 Significant accounting policies (continued)

acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

Rental income:

Revenues from renting of products are recognised when the performance obligation has been satisfied over the period of the relevant rental. The customer pays to a payment schedule, therefore if the services rendered by the company exceeds the payment, a contract asset is recognised and if the payments exceeds the services rendered, a contract liability is recognised.

Freight income:

Revenues from freight are recognised at the time that services are rendered.

Pensions

The company operates a defined contribution plan for its employees. Payments are recognised as an expense in the Statement of total comprehensive income in the year that the obligation arises.

Any outstanding contributions are included as a liability in the Balance sheet.

Dividend distribution

Dividend distributions to the company's shareholders are recognised as liabilities in the company's financial statements in the period in which they are approved and paid.

3. Turnover

Turnover represents amounts invoiced to third parties stated net of value added tax and is wholly attributable to the principal activities of the company.

The turnover recognised in the income statement is analysed as follows:

	2021 £	2020 £
Rental income	23,951,492	19,235,362
Sale of goods	5,595,580	5,445,602
Freight	2,086,259	2,166,956
	31,633,331	26,847,920

The geographical analysis of turnover is as follows:

	2021 £	2020 £
United Kingdom	26,457,464	26,088,424
Europe	5,175,867	729,395
Rest of world	-	30,101
	31,633,331	26,847,920

Notes to the financial statements

for the year ended 31 December 2021

4. Operating profit

This is stated after charging/(crediting):

	2021	2020
	£	£
Inventory expensed in the year	5,095,251	4,658,686
- Including write-down of stocks to net realisable value	8,898	8,898
Depreciation on right-of-use-assets	590,951	619,923
Depreciation of owned fixed assets	352,036	289,956
Exchange gain/(loss) on retranslation of foreign currency amounts	165,628	(54,575)
Operating lease rentals		
- land and buildings	719,135	663,915
- plant and machinery	6,598,874	7,349,900

5. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements

	2021	2020
	£	£
Audit services	51,644	60,700
Non-audit services	-	-

6. Staff costs and directors' remuneration

Staff Costs

	2021	2020
	£	£
Wages and salaries	3,210,958	2,586,737
Defined contribution pension	111,965	90,780
Social security costs	314,711	241,014
	3,637,634	2,918,531

The average monthly number of employees during the year was made up as follows:

	2021	2020
	No.	No.
Distribution	58	57
Administrative	32	25
	90	82

Notes to the financial statements

for the year ended 31 December 2021

6. Staff costs and directors' remuneration (continued)

Directors' remuneration

	2021	2020
	£	£
Aggregate remuneration in respect of qualifying services	179,259	126,903
Contributions to defined contribution pension scheme	26,267	13,133

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2021	2020
	£	£
Aggregate remuneration in respect of qualifying services	179,259	126,903
Contributions to defined contribution pension scheme	26,267	13,133

No share options were exercised by directors during the year. One (2020:1) director is accruing benefits under a money purchase pension scheme.

A management charge in respect of administration costs is included within the rental payments made to Tosca Israel Reusable Solutions Ltd, the company's sister concern, which includes the director's remuneration for directors paid from outside the United Kingdom, and for whom it is not possible to quantify the amount paid for their services.

7. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest payable	2	182
Bank charges and loan amortisation	11,806	23,945
Lease liabilities	100,510	124,196
Intercompany interest payable	168,308	157,568
Exchange differences	165,628	(54,575)
Total interest payable and similar charges	446,254	251,316

Notes to the financial statements

for the year ended 31 December 2021

8. Income tax charge

(a) Tax on Profit

The tax charge is made up as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax on the profit for the year	-	87,097
Adjustments in respect of prior periods	135,723	-
Total current tax	135,723	87,097
Deferred tax:		
Current Year	6,254	1,562
Adjustments in respect of prior periods	52,955	-
Effect of changes in tax rates	46,330	-
Total Deferred Tax	105,539	1,562
Total tax on profit	241,262	88,659

(b) Factors affecting current tax

The tax assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%). The differences are explained below:

	2021	2020
	£	£
Profit before taxation	674,271	29,425,253
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%)	128,111	5,590,798
Effects of:		
Expenses not deductible for tax purposes	5,292	3,488
Non-Taxable Income	-	(5,366,138)
Tax rate changes	46,330	-
Adjustments in respect of previous periods	188,681	-
Other	(127,152)	(139,489)
Total tax charge for the year	241,262	88,659

(c) Deferred tax liabilities

	2021	2020
	£	£
At 1 January	87,500	89,062
Adjustment in respect of prior years	52,958	-
Deferred tax charge/(credit) to income statement	52,584	(1,562)
At 31 December	193,042	87,500

Notes to the financial statements

for the year ended 31 December 2021

8. Income tax credit (continued)

The deferred tax liability is made up as follows:

	31 Dec 2021	31 Dec 2020
	£	£
Capital allowances in advance of depreciation	941,509	125,407
Temporary differences trading	(20,980)	-
Losses	(727,487)	(37,907)
	<u>193,042</u>	<u>87,500</u>

In October 2022, the UK Government announced that from 1 April 2023 the corporation tax rate would rise to 25%.

9. Tangible assets

	Fixtures and fittings	Rental equipment	Computer equipment	Right of use assets	Total
	£	£	£	£	£
Cost:					
At 1 January 2021	1,801,436	67,446	122,739	3,562,183	5,553,804
Additions	3,373,305	78,029	12,421	62,455	3,526,210
Disposals	-	(41,185)	-	(150,765)	(191,950)
At 31 December 2021	5,174,741	104,290	135,160	3,473,873	8,888,064
Accumulated depreciation:					
At 1 January 2021	801,383	12,954	99,029	1,210,975	2,124,341
Provided during the year	324,242	11,007	16,787	590,951	942,987
Disposals	-	(327)	-	(147,572)	(147,899)
At 31 December 2021	1,125,625	23,634	115,816	1,654,354	2,919,429
Net book value:					
At 31 December 2021	4,049,116	80,656	19,344	1,819,519	5,968,635
At 31 December 2020	1,000,053	54,492	23,710	2,351,208	3,429,463

The net book value of right of use assets included within tangible fixed assets are classified as follows:

	2021	2020
	£	£
Leased premises	1,729,960	2,246,193
Motor vehicles	89,559	105,015
	<u>1,819,519</u>	<u>2,351,208</u>

The expiry dates of leased premises range between 2 and 8 years. The expiry dates of motor vehicles range between 1 and 3 years.

Notes to the financial statements

for the year ended 31 December 2021

10. Stocks

	2021	2020
	£	£
Consumables and spares	<u>384,639</u>	<u>164,022</u>

The difference between purchase price of stocks and their replacement cost is not material. There is a provision of £8,898 (2020: £8,898) over stock held.

11. Debtors

	2021	2020
	£	£
Trade debtors	9,683,763	6,269,170
Other debtors	1,497,258	-
Accrued income	848,440	664,397
Corporation tax receivable	-	9,326
Prepayments	1,024,155	206,080
	<u>13,053,616</u>	<u>7,148,973</u>

Trade debtors are non-interest bearing and are generally on terms of 14 days from receipt of invoice. Trade receivables are stated after provision for impairment of £72,951 (2020: £34,000).

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,017,443	2,081,076
Other taxation and social security costs	590,214	382,091
Corporation tax payable	126,397	-
Right of use lease liabilities	597,428	584,937
Amounts owed to group undertakings	1,774,229	2,368,203
Accruals and deferred income	2,748,091	2,080,327
	<u>10,853,802</u>	<u>7,496,634</u>

The amounts owed to group undertakings is interest bearing at a rate of 6%, repayable on demand and unsecured.

13. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Right of use lease liabilities	1,502,402	2,071,063
Amounts owed to group undertakings	<u>2,977,913</u>	<u>-</u>
	<u>4,480,315</u>	<u>2,071,063</u>

Notes to the financial statements

for the year ended 31 December 2021

14. Called up share capital

	2021		2020	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	3	<u>3</u>	3	<u>3</u>

The equity benefits reserve is used for share based payments.

15. Dividends

Amounts recognised as distributions to equity shareholders in the year:

	2021 £	2020 £
Final dividend for the year ended 31 December 2021 of £Nil (2020: £10,437,686.67) per £1 ordinary share	-	31,313,060

16. Lease liabilities

The company has lease contracts for buildings and vehicles used in the operations. The amounts recognised in the financial statements in relations to the leases are as follows:

16.1 Lease liabilities split between current and non-current as follows:

	2021 £	2020 £
Current (included in trade and other payables)	597,428	584,937
Non-current	<u>1,502,402</u>	<u>2,071,063</u>
	<u>2,099,830</u>	<u>2,656,000</u>

16.2 Set out below are the carrying amounts of the lease liabilities and the movement during the year.

	2021 £	2020 £
As at 1 January	2,656,000	3,187,808
Additions	62,455	88,557
Accretion of interest	100,510	124,196
Payments	<u>(719,135)</u>	<u>(744,561)</u>
As at 31 December	<u>2,099,830</u>	<u>2,656,000</u>

	2021 £	2020 £
Not later than one year	597,428	584,937
Later than one year and not later than five years	1,198,487	1,447,948
Later than five years	<u>303,915</u>	<u>623,115</u>
Carrying amount of liability	<u>2,099,830</u>	<u>2,656,000</u>

Notes to the financial statements

for the year ended 31 December 2021

17. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of Financial Reporting Standard 101 (FRS 101), from disclosing transactions with other members of a wholly owned group.

There were no other transactions with related parties. Any outstanding contributions are included as a liability in the Balance sheet.

18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Tosca Netherlands BV, a company registered in the Netherlands. The smallest group of which the company is a member for which group financial statements are prepared is Tosca Services LLC. The registered office of Tosca Services LLC is 303 Peachtree Center Avenue Suite 110 Atlanta, GA 30303 United States. Copies of these financial statements are available from the Registered Office of Tosca Services UK Ltd as detailed in note 1.

The Directors consider APAX Partners LLP, registered in England and Wales, to be the ultimate parent undertaking. The consolidated financial statements of this group will be filed with the registrar in accordance with the requirements of the Companies Act 2006.