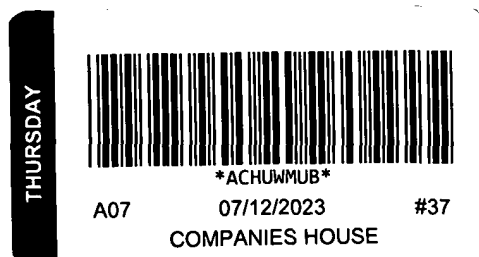


Registered number
04015336

Tosca Services UK Ltd
Report and Financial Statements
31 December 2022



Tosca Services UK Ltd
Report and accounts
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Tosca Services UK Ltd
Company Information

Directors

E Frank
S Smith (resigned 01/01/2023)
A Dale (resigned 01/01/2023)
M Harrison (appointed 01/01/2023)
D Lee (appointed 01/01/2023)

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
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

Registered number

04015336

Tosca Services UK Ltd 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 2022 was £28,927,959 compared to £31,633,331 in 2021.

Total earnings before interest and taxation ("EBIT") for 2022 was £1,037,371 compared to £1,120,525 in 2021.

The total shareholders' funds as at 31 December 2022 was £4,645,279 (2021 - £4,742,693).

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:

	2022	2021
	£	£
Rental income	20,693,573	23,951,492
Sale of goods	7,040,771	5,595,580
Freight revenues	1,193,615	2,086,259
Earnings before interest and taxation (EBIT)	1,037,371	1,120,525
Gross profit margin	17.83%	12.54%
Average number of employees (No)	97	90

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 results. 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.

Customers' relations

The company's business segment is the retail market. Losing one or more of these customers can result in a materially negative impact on its revenue, profit and cash-flow.

The company has long term relations with most of its retail customers, which are maintained by the company's commitment to deliver excellent service. Management has committed resources to keep providing best customer services.

Tosca Services UK Ltd

Strategic report (continued)

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 its revenues and profit. The company will keep investing and innovating to provide outclass customer services and maintain a competitive advantage.

Cash flow interest rate risk

The company exposure to the risk for changes in market interest rates relates primarily to the 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

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.

This report was approved by the board on 28 November 2023 and signed on its behalf.



D Lee
Director

Tosca Services UK Ltd
Registered number: 04015336
Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2022.

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 loss for the year after taxation amounted to £97,414 (2021 profit – £433,009). No dividend was paid during the year (2021 – Nil).

Future developments

In 2023, 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 2023 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.

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.

Financial instrument risk

Financial risks are laid out in the Strategic report.

Tosca Services UK Ltd
Registered number: 04015336
Directors' report (continued)

Directors

The following persons served as directors during the year:

E Frank
S Smith (resigned 01/01/2023)
A Dale (resigned 01/01/2023)
M Harrison (appointed 01/01/2023)
D Lee (appointed 01/01/2023)

Directors' responsibilities

The directors are responsible for preparing the report and 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 101 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Tosca Services UK Ltd
Registered number: 04015336
Directors' report (continued)

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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 auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, 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.

This report was approved by the board on 28 November 2023 and signed on its behalf.



D Lee
Director

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 2022 and of its loss 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 Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement 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.

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.

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

With respect to the Strategic report and the 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 the Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2022 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 the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the 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.

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 UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and relevant tax legislation. 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 of unusual journal entries or manipulating accounting estimates that 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.

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

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
5 December 2023

Tosca Services UK Ltd
Income Statement
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	3	28,927,959	31,633,331
Cost of sales		(23,769,474)	(27,667,174)
Gross profit		<u>5,158,485</u>	<u>3,966,157</u>
Distribution costs		(257,316)	(191,152)
Administrative expenses		(3,816,575)	(2,654,792)
Operating profit	4	<u>1,084,594</u>	<u>1,120,213</u>
(Loss)/gain on sale of tangible fixed assets		(47,223)	312
Interest payable and similar expenses	7	(868,516)	(446,254)
Profit before taxation		<u>168,855</u>	<u>674,271</u>
Tax on profit	8	(266,269)	(241,262)
(Loss)/profit for the financial year		<u>(97,414)</u>	<u>433,009</u>

The notes on pages 13 to 27 form an integral part of these financial statements.

Tosca Services UK Ltd
Statement of Financial Position
Registered number: 04015336
as at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	9	5,442,346	5,968,635
Current assets			
Stocks	10	1,949,131	384,639
Debtors	11	15,639,723	13,053,616
Cash at bank and in hand		516,701	862,962
		<u>18,105,555</u>	<u>14,301,217</u>
Creditors: amounts falling due within one year	12	(17,483,622)	(10,853,802)
Net current assets		<u>621,933</u>	<u>3,447,415</u>
Total assets less current liabilities		<u>6,064,279</u>	<u>9,416,050</u>
Creditors: amounts falling due after more than one year	13	(1,088,586)	(4,480,315)
Provisions for liabilities			
Deferred taxation	15	(330,414)	(193,042)
Net assets		<u>4,645,279</u>	<u>4,742,693</u>
Capital and reserves			
Called up share capital	16	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	17	1,173,501	1,270,915
Total equity		<u>4,645,279</u>	<u>4,742,693</u>

The financial statements on pages 10 to 26 were approved by the board and were signed on its behalf by:

D Lee
Director 
Approved by the board on 28 November 2023

The notes on pages 13 to 27 form an integral part of these financial statements.

Tosca Services UK Ltd
Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital	Share premium	Capital Contribution reserve	Equity benefit reserves	Profit and loss account	Total
	£	£	£	£	£	£
At 1 January 2021	3	1,414,701	1,989,503	67,571	837,906	4,309,684
Profit for the financial year		-	-	-	433,009	433,009
At 31 December 2021	<u>3</u>	<u>1,414,701</u>	<u>1,989,503</u>	<u>67,571</u>	<u>1,270,915</u>	<u>4,742,693</u>
At 1 January 2022	3	1,414,701	1,989,503	67,571	1,270,915	4,742,693
(Loss) for the financial year		-	-	-	(97,414)	(97,414)
At 31 December 2022	<u>3</u>	<u>1,414,701</u>	<u>1,989,503</u>	<u>67,571</u>	<u>1,173,501</u>	<u>4,645,279</u>

The notes on pages 13 to 27 form an integral part of these financial statements.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

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 FRS 101, 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 2022. 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'.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.2 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.

2.3 Judgements and keys sources of uncertainty

In applying the company's accounting policies, which are described in Note 2.4, 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.

2.4 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

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.4 Significant accounting policies (continued)

Tangible fixed assets (continued)

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 of 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.

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.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.4 Significant accounting policies (continued)

Financial instruments (continued)

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 deposits.

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.

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.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.4 Significant accounting policies (continued)

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.

Taxation

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.

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.4 Significant accounting policies (continued)

Rights 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.

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.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.4 Significant accounting policies (continued)

Rights of use assets and lease liabilities (continues)

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:

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

2 Accounting policies (continued)

2.4 Significant accounting policies (continued)

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 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.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

3 Turnover

	2022 £	2021 £
Rental income	20,693,573	23,951,492
Sale of goods	7,040,771	5,595,580
Freight	1,193,615	2,086,259
	<u>28,927,959</u>	<u>31,633,331</u>
By geographical market:		
UK	28,927,959	26,457,464
Europe	-	5,175,867
	<u>28,927,959</u>	<u>31,633,331</u>

4 Operating profit

	2022 £	2021 £
This is stated after charging:		
Depreciation of owned fixed assets	703,220	590,036
Depreciation of assets held under finance leases and hire purchase contracts	571,619	352,036
Operating lease rentals	4,717,658	7,318,009
Inventory expensed in the year, including write-down of stock to net realisable value	5,652,182	5,104,149
Auditors' remuneration for audit services	87,590	51,644
Auditors' remuneration for other services	-	-
Exchange loss on retranslation of foreign currency amounts	511,496	165,628

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

5 Directors' emoluments	2022	2021
	£	£
Aggregate remuneration in respect of qualifying services	182,938	179,259
Company contributions to defined contribution pension plans	-	26,267
	<u>182,938</u>	<u>205,526</u>
Highest paid director:		
Aggregate remuneration in respect of qualifying services	182,938	179,259
Company contributions to defined contribution pension plans	-	26,267
	<u>182,938</u>	<u>205,526</u>
Number of directors to whom retirement benefits accrued:	2022	2021
	Number	Number
Defined contribution plans	-	1
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 directors' remuneration for directors paid from outside the United Kingdom, and for whom it is not possible to quantify the amount paid for their services.		
6 Staff costs	2022	2021
	£	£
Wages and salaries	3,574,812	3,210,958
Social security costs	405,438	314,711
Defined contribution pension	126,888	111,965
	<u>4,107,138</u>	<u>3,637,634</u>
The average monthly number of employees	2022	2021
	Number	Number
Administration	32	32
Distribution	65	58
	<u>97</u>	<u>90</u>
7 Interest payable and similar expenses	2022	2021
	£	£
Bank interest payable	-	2
Bank charges and loan amortisation	11,637	11,806
Exchange differences	511,496	165,628
Lease liabilities	101,807	100,510
Intercompany interest payable	243,576	168,308
	<u>868,516</u>	<u>446,254</u>

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

8 Tax on profit	2022	2021
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	89,523	-
Adjustments in respect of prior years	39,374	135,723
	<u>128,897</u>	<u>135,723</u>
Deferred tax:		
Current year	(8,904)	6,254
Adjustments in respect of previous periods	149,088	52,955
Effect of change in tax rates	(2,812)	46,330
Total deferred tax	<u>137,372</u>	<u>105,539</u>
 Tax on profit	 <u>266,269</u>	 <u>241,262</u>

Factors affecting tax charge for period

The differences between the current tax for the year is higher (2021: higher) than the standard rate of corporation tax are explained as follows:

	2022	2021
	£	£
Profit before tax	<u>168,855</u>	<u>674,271</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit before tax multiplied by the standard rate of corporation tax	32,082	128,111
Effects of:		
Adjustments in respect of prior years	159,163	188,681
Expenses not deductible for tax purposes	86,849	5,292
Fixed asset super deduction	(9,013)	(127,152)
Tax rates changes	(2,812)	46,330
Current tax charge	<u>266,269</u>	<u>241,262</u>

From 1 April 2023 the corporation tax rate increased to 25%. This was enacted on 10 June 2021 and its effects are included in the financial statements.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

9 Tangible assets

	Fixtures and fitting	Rental equipment	Computer equipment	Total (continued)
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>
	£	£	£	£
Cost or valuation				
At 1 January 2022	5,174,741	104,290	135,160	5,414,191
Additions	764,349	-	4,479	768,828
Disposals	(48,317)	-	-	(48,317)
At 31 December 2022	<u>5,890,773</u>	<u>104,290</u>	<u>139,639</u>	<u>6,134,702</u>
Accumulated depreciation				
At 1 January 2022	1,125,625	23,634	115,816	1,265,075
Charge for the year	696,781	13,898	12,337	723,016
On disposals	(1,094)	-	-	(1,094)
At 31 December 2022	<u>1,821,312</u>	<u>37,532</u>	<u>128,153</u>	<u>1,986,997</u>
Carrying amount				
At 31 December 2022	<u>4,069,461</u>	<u>66,758</u>	<u>11,486</u>	<u>4,147,705</u>
At 31 December 2021	<u>4,049,116</u>	<u>80,656</u>	<u>19,344</u>	<u>4,149,116</u>

Tangible assets (continued)	Right of use assets	Total
	<i>At cost</i>	<i>At cost</i>
	£	£
Cost or valuation		
At 1 January 2022	3,473,873	8,888,064
Additions	26,945	795,773
Disposals	-	(48,317)
At 31 December 2022	<u>3,500,818</u>	<u>9,635,520</u>
Accumulated depreciation		
At 1 January 2022	1,654,354	2,919,429
Charge for the year	551,823	1,274,839
On disposals	-	(1,094)
At 31 December 2022	<u>2,206,177</u>	<u>4,193,174</u>
Carrying amount		
At 31 December 2022	<u>1,294,641</u>	<u>5,442,346</u>
At 31 December 2021	<u>1,819,519</u>	<u>5,968,635</u>

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

	2022	2021
	£	£
Leased premises	1,252,812	1,729,960
Motor vehicles	<u>41,829</u>	<u>89,559</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.

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

10 Stocks	2022	2021
	£	£
Goods in transit	1,949,131	-
Consumables and spares	-	384,639
	<u>1,949,131</u>	<u>384,639</u>

The carrying value of stocks is not materially different from its recoverable amount.

11 Debtors	2022	2021
	£	£
Trade debtors	11,273,736	9,672,905
Amounts owed by group undertakings	700,452	10,858
Other debtors	1,617,324	1,497,258
Prepayments and accrued income	2,048,211	1,872,595
	<u>15,639,723</u>	<u>13,053,616</u>

Trade debtors are non-interest bearing and are generally on terms of 14 days from receipt of invoice. Trade receivables are stated after provisions for impairment of £142,247 (2021: £72,951).

12 Creditors: amounts falling due within one year	2022	2021
	£	£
Right of use lease liabilities	429,373	597,428
Trade creditors	5,333,406	5,017,443
Amounts owed to group undertakings	9,760,816	1,774,229
Corporation tax	255,294	126,397
Other taxes and social security costs	106,454	590,214
Other creditors	1,207	-
Accruals and deferred income	1,597,072	2,748,091
	<u>17,483,622</u>	<u>10,853,802</u>

The amounts owed to group undertakings is interest bearing at a rate of 6%, repayable on demand and unsecured. Trade creditors are non-interest bearing and are generally on terms of 14 days from receipt of invoice.

13 Creditors: amounts falling due after more than one year	2022	2021
	£	£
Right of use lease liabilities	1,088,586	1,502,402
Amounts owed to group undertakings	-	2,977,913
	<u>1,088,586</u>	<u>4,480,315</u>

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

14 Obligations under finance leases contracts	2022	2021
	£	£
Amounts payable:		
Within one year	429,373	597,428
Within two to five years	1,088,586	1,502,402
	<u>1,517,959</u>	<u>2,099,830</u>

15 Deferred taxation	2022	2021
	£	£
Accelerated capital allowances	<u>330,414</u>	<u>193,042</u>

	2022	2021
	£	£
At 1 January	193,042	87,500
Adjustment in respect of prior years	149,088	52,958
(Credited)/charged to the profit and loss account	<u>(11,716)</u>	<u>52,584</u>
At 31 December	<u>330,414</u>	<u>193,042</u>

16 Called up share capital	Nominal value	2022 Number	2022	2021
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	3	<u>3</u>	<u>3</u>

17 Profit and loss account	2022	2021
	£	£
At 1 January	1,270,915	837,906
(Loss)/profit for the financial year	<u>(97,414)</u>	<u>433,009</u>
At 31 December	<u>1,173,501</u>	<u>1,270,915</u>

Tosca Services UK Ltd
Notes to the Accounts
for the year ended 31 December 2022

18 Lease liabilities

Total future minimum lease payments under non-cancellable operating leases:

	Other 2022	Other 2021
	£	£
Falling due:		
within one year	429,373	597,428
within two to five years	873,112	1,502,402
	<u>1,302,485</u>	<u>2,099,830</u>

19 Related party transactions

The Company has taken advantage of the exception 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 liability in the Balance Sheet.

20 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 Centre 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.