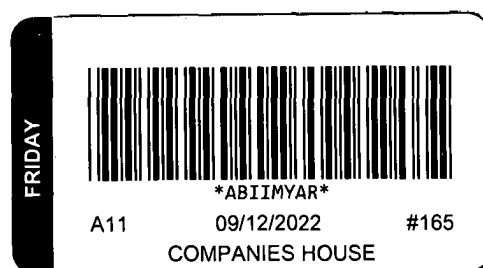


Berendsen Limited

Report and financial statements

Year ended 31 December 2021

Company Registration Number: 1480047



Berendsen Limited

Strategic report

The Directors present their strategic report for Berendsen Limited ('the Company') for the year ended 31 December 2021..

Principal activities

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

Review of business

The profit for the year ended 31 December 2021, after taxation, amounted to £228.0m (2020 loss: £23.5m) mainly due to dividends received from subsidiaries offset by the write off of an intercompany loan, whereas in the prior year the company experienced unrealised losses in the company's loans with group undertakings.

Key performance indicators ('KPIs')

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

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

Cash flow and currency risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company is financially supported by its immediate parent company Elis SA.

Credit risk

The Company's principal financial assets are receivables from group undertakings as well as bank balances. For banks and financial institutions, and in line with group policy, only independently rated parties with a strong credit rating are accepted.

Liquidity risk

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

The Company's only significant risk is that the results of its subsidiaries might deteriorate with the consequent need for the Company to impair its investments.

On behalf of the board



Werner Dreyer
Director

8 December 2022

Berendsen Limited

Directors' report

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

Future developments

The Directors do not anticipate any significant changes in the activities of the Company.

Dividends

The Directors do not recommend the payment of a dividend (2020: £57.4m).

Financial instruments

It is the Company's policy to implement financial risk management objectives and policies for each major type of forecasted transaction for which hedge accounting is used. The Directors consider the Company's exposure to price, credit, liquidity and cash flow risks as not significant.

Directors

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

Werner Dreyer
Mark Franklin
Xavier Martiré

Post balance sheet event

On 1st June 2022 the Company capitalised an intercompany loan due to a subsidiary company of £143.8 million.

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide. The Company has only a small indirect subsidiary in Russia, OOO Berendsen, owned by Berendsen Textil Service A/S. The Directors have concluded that any potential impact on the company would not be significant.

Directors' Indemnities

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

Employees

For the year to 31 December 2021 the average number of full time equivalent employees the Company had was 5 (2020: 5).

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its prosperity.

The Company encourages the involvement of employees by means of regular meetings with staff and staff representatives to keep them informed of the company's progress. The company operates a pension scheme for which all employees are eligible.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or sexual orientation. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Berendsen Limited

Directors' report (continued)

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

Independent auditors

The auditors, Mazars LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Disclosure of information to the auditor

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

This report was approved by the board on 8 December 2022 and signed on its behalf by:


Werner Dreyer
Director

Berendsen Limited

Independent auditor's report to the Members of Berendsen Limited

We have audited the financial statements of Berendsen Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- o 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;
- o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- o have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the Strategic report and the Directors' report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Strategic report and the Directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 in this regard.

Berendsen Limited

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

Opinion on other matter prescribed by the Companies Act 2006

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

- o the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- o the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- o adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- o the financial statements are not in agreement with the accounting records and returns; or
- o certain disclosures of directors' remuneration specified by law are not made; or
- o we have not received all the information and explanations we require for our audit; or
- o the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

Berendsen Limited

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

David Herbinet

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

London
8 December 2022

Berendsen Limited

Income Statement

for the year ended 31 December 2021

		Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
	Notes		
Administrative expenses		(0.5)	(1.1)
Other operating expenses		-	(19.1)
Other operating income		348.2	-
Operating profit / (loss)	2	<u>347.7</u>	<u>(20.2)</u>
Analysed as:			
Operating profit/(loss) before exceptional items		347.1	(17.4)
Exceptional income / (expense)	5	0.6	(2.8)
		<u>347.7</u>	<u>(20.2)</u>
Amounts written off investments on ordinary activities	9	(119.1)	-
Profit / (loss) before interest and taxation		<u>228.6</u>	<u>(20.2)</u>
Finance income	6	4.8	5.8
Finance costs	7	(5.9)	(6.5)
Profit / (loss) before taxation		<u>227.5</u>	<u>(20.9)</u>
Taxation	8	0.5	(2.6)
Profit / (loss) for the financial year		<u>228.0</u>	<u>(23.5)</u>

All results derive from continuing operations.

The notes on pages 11 to 21 form part of the financial statements.

Berendsen Limited

Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Profit / (loss) for the financial year		228.0	(23.5)
<i>Items that cannot be subsequently reclassified into profit or loss:</i>			
Actuarial gains recognised in pension scheme net of deferred tax		7.9	0.7
		<u>7.9</u>	<u>0.7</u>
Total comprehensive income / (expenses) for the year		<u>235.9</u>	<u>(22.8)</u>

The notes on pages 11 to 21 form part of the financial statements.

Berendsen Limited

Statement of Changes in Equity for the year ended 31 December 2021

	Share capital	Share premium	Other reserves	Capital redemption reserve	Retained earnings	Total £m
At 1 January 2020	313.4	99.9	21.1	173.5	194.8	802.7
Share issue	-	-	-	-	-	-
Loss for the financial year	-	-	-	-	(23.5)	(23.5)
Actuarial gain recognised in pension scheme net of deferred tax	-	-	-	-	0.7	0.7
At 31 December 2020	<u>313.4</u>	<u>99.9</u>	<u>21.1</u>	<u>173.5</u>	<u>172.0</u>	<u>779.9</u>
Profit for the financial year	-	-	-	-	228.0	228.0
Actuarial gain recognised in pension scheme net of deferred tax	-	-	-	-	7.9	7.9
At 31 December 2021	<u>313.4</u>	<u>99.9</u>	<u>21.1</u>	<u>173.5</u>	<u>407.9</u>	<u>1,015.8</u>

The notes on pages 11 to 21 form part of the financial statements.

Berendsen Limited

Balance Sheet

As at 31 December 2021

	Note	2021 £m	2020 £m
Assets			
Fixed assets			
Investments	9	839.7	962.1
Current assets			
Pension scheme asset: amounts falling due after more than one year	11	40.7	28.2
Debtors	12	229.4	159.4
Cash and cash equivalents		0.4	0.2
		<u>270.5</u>	<u>187.8</u>
Current liabilities			
Amounts falling due within one year	13	(87.7)	(367.6)
Net current assets / (liabilities)		182.8	(179.8)
Deferred tax liabilities	10	(6.7)	(2.4)
Net assets		<u>1,015.8</u>	<u>779.9</u>
Equity			
Share capital	14	313.4	313.4
Share premium		99.9	99.9
Other reserves		21.1	21.1
Capital redemption reserve		173.5	173.5
Retained earnings		407.9	172.0
Total Equity		<u>1,015.8</u>	<u>779.9</u>

The notes on pages 11 to 21 form part of the financial statements.

The financial statements of Berendsen Limited (registered number: 1480047) were approved and authorised for issue by the Board of Directors on 8 December 2022. They were signed on its behalf by:


Werner Dreyer
Director

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021

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

1 Accounting policies

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

Accounting convention

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

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

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

The Company is exempt from preparing consolidation financial statements under section 400 of the Companies Act 2006 as it is included within the consolidated financial statements of its ultimate and controlling parent undertaking. The financial statements present information about the Company as an individual undertaking and not about the group.

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') 'Pounds Sterling' (£).

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

Investments

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

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

For the purposes of assessing the impairment of investments, the Company applies a simplified approach to compare net assets position of subsidiary to the carrying value of investment and if impairment is noticed a further more detailed analysis is performed.

Financial instruments

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

Debtors

Debtors are recognised initially at fair value and subsequently at the amortised cost using the effective interest method, less any provision for bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash deposits held at banks.

Creditors

Creditors are initially recognised at fair value and subsequently at the amortised cost using the effective interest

Dividend income

Dividend income is recognised when the right to receive payment is established.

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Current and deferred income tax

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

Pension obligations

The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

The Company operates a defined contribution plan for certain employees. A defined contribution is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised in as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company also participates in a defined benefit scheme with its subsidiary undertaking. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income for the period in which they arise.

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Provisions

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

Exceptional items

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

Significant accounting judgements, estimates and assumptions

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

The key assumptions relate to investments impairment and pension obligations that were described above.

2 Operating profit / (loss)

	2021	2020
	£m	£m
Operating profit / (loss) is stated after crediting / (charging)		
Dividends received from subsidiaries	321.6	=
Reimbursements from subsidiaries	0.7	=
Gain on disposal of investment	5.9	0.1
Loss on disposal of investment	=	(0.2)
Net foreign exchange (loss)	20.0	(19.0)
	<u>348.2</u>	<u>(19.1)</u>

The audit fee for year ended of £9,636 (2020: £9,636) has been borne by Elis UK Limited (formerly Berendsen UK Limited).

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Staff costs

Employee numbers

For the year to 31 December 2021 the average number of full time equivalent employees the Company had was 5 (2020: 5).

4 Directors' emoluments

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

5 Exceptional items

<i>Exceptional income</i>	2021 £m	2020 £m
Reimbursement of subsidiary costs incurred in prior years	0.6	-
	<u>0.6</u>	<u>-</u>
<i>Exceptional costs</i>	2021 £m	2020 £m
Restructure and redundancy costs	-	1.1
Onerous lease release	-	0.9
Legal and Regulatory costs	-	0.8
	<u>-</u>	<u>2.8</u>

6 Finance income

	2021 £m	2020 £m
Interest received from Group undertakings	4.8	6.8
	<u>4.8</u>	<u>6.8</u>

7 Finance costs

	2021 £m	2020 £m
Interest paid to Group undertakings	2.7	2.8
Interest paid to Parent undertakings	2.9	5.2
Bank and other interest	0.3	0.6
	<u>5.9</u>	<u>8.6</u>

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Taxation

	2021 £m	2020 £m
(a) Analysis for the year:		
Current tax:		
UK corporation tax charge	-	-
Amounts under provided in previous years	<u>(0.3)</u>	<u>(2.6)</u>
	<u>(0.3)</u>	<u>(2.6)</u>
Deferred tax:		
Relating to origination and reversal of timing differences	(0.2)	(0.5)
Effect of change in deferred tax rates	(0.6)	(0.4)
Amounts under provided in previous years	0.6	6.1
Total deferred tax credit	<u>(0.2)</u>	<u>5.2</u>
	<u>(0.5)</u>	<u>2.6</u>
Total tax (credit)/charge in the income statement	<u>(0.5)</u>	<u>2.6</u>
(b) Factors affecting current taxation for the year:		
Profit / (loss) on ordinary activities before tax	<u>227.5</u>	<u>(20.9)</u>
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	43.2	(4.0)
<i>Adjustments in respect of:</i>		
Expenses not deductible for tax purposes	22.3	3.5
Non taxable income	(66.0)	-
Amounts underprovided in previous years	0.6	3.5
Effect of change in tax rate	(0.6)	(0.4)
	<u>(0.5)</u>	<u>2.6</u>

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

	2021 £m	2020 £m
Actuarial gains	(4.4)	(0.2)
Total charged to comprehensive income	<u>(4.4)</u>	<u>(0.2)</u>
Total charged to equity	<u>(4.4)</u>	<u>(0.2)</u>
Analysed as:		
Deferred tax (note 10)	<u>(4.4)</u>	<u>(0.2)</u>
	<u>(4.4)</u>	<u>(0.2)</u>

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Investments

	Total £m
Cost	
At 31 December 2020	968.5
Disposals	(8.0)
At 31 December 2021	<u>960.5</u>
Impairment provisions	
At 31 December 2020	(6.4)
Provided in year	(119.1)
Disposals	4.7
At 31 December 2021	<u>(120.8)</u>
Net book value	
At 31 December 2021	<u>839.7</u>
At 31 December 2020	<u>962.1</u>

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

Company name	Country or incorporation	Registered office
Elis UK Limited	England	Intec 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Nominees Ltd	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance (DKK) Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance (Euro) Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance Ireland (DKK) Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance Ireland (Euro) Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Finance Ireland (PLN) Limited	England	Intek 3, Wade Road, Basingstoke, RG24 8NE, UK
Berendsen Textil Service A/S	Denmark	Tobaksvejen 22, DK-2860, Søborg, Denmark

In the year, the company sold its 5.2% shareholding in Berendsen Beteiligungs GmbH to Elis Holding GmbH, another company, part of the Elis group.

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Deferred tax

<i>Deferred tax assets</i>	Accelerated capital allowances	Tax losses	Total
	£m	£m	£m
at 31 December 2020	-	3.0	3.0
Revaluation of opening position		0.9	0.9
Charge in year		0.3	0.3
Prior year adjustment		(0.7)	(0.7)
At 31 December 2021		<u>3.5</u>	<u>3.5</u>

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

<i>Deferred tax liabilities</i>	Pensions	Total
	£m	£m
at 31 December 2020	(5.4)	(5.4)
Revaluation of opening position	(0.4)	(0.4)
Charge in year through other comprehensive income	(4.4)	(4.4)
At 31 December 2021	<u>(10.2)</u>	<u>(10.2)</u>

	2021 £m	2020 £m
Net deferred tax liability	<u>(6.7)</u>	<u>(2.4)</u>
	<u>(6.7)</u>	<u>(2.4)</u>

11 Pension

	2021 £m	2020 £m
<i>The amounts recognised in the balance sheet are determined as follows:</i>		
Present value of obligations	(363.8)	(381.4)
Fair value of plan assets	404.6	409.6
Net asset recognised in balance sheet	<u>40.7</u>	<u>28.2</u>

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

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

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Pension (continued)

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

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

Expected contributions by the Company, including special contributions, to post employment benefit schemes for the year ended 31 December 2021 are £0.1 million (2020: £0.1 million).

The weighted average duration of the defined benefit obligation in the UK scheme is 17 years (2019: 17 years).

Plan assets held in the fund are governed by local regulations and practice in the UK. Responsibility for the governance of the plan — including investment decisions and contribution schedules — lies jointly with the company and the trustees of the funds. The risks of the scheme are as follows:

(a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The government bonds represent investments in UK government securities only. The corporate bonds are securities with an emphasis on the UK.

However, the company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the Company's long-term strategy to manage the plans efficiently.

(b) Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(c) Longevity risk

The liabilities are very sensitive to unexpected changes in future mortality. If longevity increases at a faster pace than assumed then the liabilities will increase at future calculations. The longevity risk can be mitigated by securing benefits for members with insurance companies. There is also a growing market in longevity solutions which may enable this risk to be managed to some degree in the future.

(d) Investment/interest rate risk

The Schemes' invested assets are allocated heavily to equities, while IAS19 stipulates a discount rate related to corporate bond yields. Therefore the liabilities and assets may react differently to changes in market conditions.

(e) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Pension (continued)

The actuarial valuation of the UK scheme has been updated as at 31 December 2021 by qualified actuaries using revised assumptions that are consistent with the requirements of IAS 19. The principal assumptions made by the actuaries were:

	2021	2020
	%	%
Rate of increase in pensionable salaries	3.0	2.6
Rate of increase in pensions in payment and deferred pension	3.1	2.7
Discount rate	1.8	1.4
Inflation rate – RPI	3.2	2.8
Inflation rate – CPI	2.4	2.0

Mortality rate

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

	2021	2020
	years	years
Male	22.8	22.7
Female	24.4	23.5

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

	2021	2020
	years	years
Male	23.5	24.3
Female	25.5	25.5

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

A large portion of assets in 2021 consists of debt instruments and investment funds although the Scheme also invests in equity investments and a small amount of cash.

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

	2021	2020
	£m	£m
<i>The amounts recognised within profit for the year are as follows:</i>		
Current service cost	0.2	0.2
Interest cost	5.3	7.0
Return on plan assets	(5.7)	(7.6)
Administrative expenses	0.2	0.6
Total included within profit	<u>0.1</u>	<u>0.2</u>

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Pension (continued)

	2021 £m	2020 £m
<i>Changes in the present value of the defined benefit obligation are as follows:</i>		
Present value of obligations as at 1 January	381.4	340.9
Current service cost	0.2	0.2
Interest cost	5.3	7.0
Actuarial (gain) / loss	(12.5)	44.1
Benefits paid	(10.6)	(10.8)
Contributions by members	-	-
Present value of obligations as at 31 December	<u>363.8</u>	<u>381.4</u>

	2021 £m	2020 £m
<i>Changes in the fair value of the plan assets are as follows:</i>		
Fair value of plan assets as at 1 January	409.6	368.2
Return on plan assets	5.7	7.6
Contributions – employee and employer	0.1	0.2
Benefits paid	(10.6)	(10.8)
Actuarial (loss)/gain	(0.2)	45.0
Administrative expenses	(0.2)	(0.6)
Fair value of plan assets as at 31 December	<u>404.5</u>	<u>409.6</u>

	2021 £m	2020 £m
<i>Actuarial gains and losses in the year may be further analysed as follows:</i>		
Return on plan assets	(0.2)	45.1
(Loss) / gain from changes in demographic assumptions	(0.4)	0.7
Gain/(loss) from changes in financial assumptions	12.9	(44.9)
Gain from experience adjustments	-	-
Net actuarial gain recognised in the year	<u>12.3</u>	<u>0.9</u>

	2021 £m	2020 £m
<i>Cumulative actuarial gains and losses recognised in equity</i>		
as at 1 January	(56.6)	(57.5)
Net actuarial gain recognised in the year	12.3	0.9
as at 31 December	<u>(44.3)</u>	<u>(56.6)</u>

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

Sensitivities

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

	Change in assumption	<u>Impact on scheme liability</u>	
		Increase in assumption £m	Decrease in assumption £m
Discount rate	0.50%	335.4	396.2
Salary growth rate	0.50%	364.1	363.7
Pension growth rate	0.50%	373.1	355.3
Price inflation rate	0.50%	378.6	350.4
Life expectancy	1 year	381.5	346.8

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Pension (continued)

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

12 Debtors

	2021 £m	2020 £m
Amounts due from Group undertakings	228.6	155.6
Prepayments	0.4	0.6
Corporation tax	0.4	3.2
	<u>229.4</u>	<u>159.4</u>

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

The average interest rate charged on the amounts owed from group undertakings was 0.92% (2020: 0.93%).

13 Creditors: amounts falling due within one year

	2021 £m	2020 £m
Amounts due to Group undertakings	87.2	366.8
Amounts due to parent undertakings	0.3	0.6
Accruals and deferred income	0.2	0.2
	<u>87.7</u>	<u>367.6</u>

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

The average interest rate charged on the amounts owed to group undertakings was 1.17% (2020: 1.18%).

14 Share capital

	2021 £m	2020 £m
Issued, called up and fully paid		
1,044.5 million (2018: 172.6 million) Ordinary shares of £0.30 each	313.4	313.4

15 Contingent liabilities

	2021 £m	2020 £m
Guarantee facilities given to Financial institutions		6.8
Principals obligations under insurance agreements	3.5	3.8

Berendsen Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Related party transactions

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

17 Post balance sheet event

On 1st June 2022 the Company capitalised an intercompany loan due to a subsidiary company of £143.8 million.

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide. The Company has only a small indirect subsidiary in Russia, OOO Berendsen, owned by Berendsen Textil Service A/S. The Directors have concluded that any potential impact on the company would not be significant.

18 Ultimate parent undertaking and controlling party

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