

ANNUAL REPORT AND FINANCIAL STATEMENTS

EUROGUARD TECHNICAL SERVICES LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

REGISTERED NUMBER 04513916

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EUROGUARD TECHNICAL SERVICES LIMITED

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EUROGUARD TECHNICAL SERVICES LIMITED

DIRECTORS AND OFFICERS

DIRECTORS:

P P Wood
J K Hampson
DP Fagan

COMPANY SECRETARY:

C Stead

REGISTERED OFFICE:

Riverbank
Meadows Business Park
Blackwater
Camberley
Surrey
GU17 9AB

EUROGUARD TECHNICAL SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and financial statements for the year ended 31 December 2018. The Company's business activities together with its risks and uncertainties are set out in the business review below.

Principal Activity

Euroguard Technical Services Limited is a subsidiary within the Rentokil Initial plc Group and its principle activity is the provision of pest control services.

Business Review

The directors are satisfied with the Company's financial position at the year end and its prospects for future development. The Company made a profit after taxation for the year ended 31 December 2018 of £97,664 (period ended 31 December 2017: £56,211).

The directors envisage that the Company will continue with its principal activity for the foreseeable future.

Principal Risks and Uncertainties

The directors of Rentokil Initial plc manage the risks of the Rentokil Initial plc Group (the 'Group') at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risk would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2018 Annual Report which does not form part of this report.

On 29 March 2017 the UK government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the EU. There is an initial two-year timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship, although this timeframe has been extended. At this stage, there is significant uncertainty about the withdrawal process, its timeframe and the outcome of the negotiations about the future arrangements between the UK and the EU.

Key Performance Indicators

The Rentokil Initial plc Group manages its operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the division of Rentokil Initial plc, which includes the Company, is discussed in the Group's 2018 Annual Report which does not form part of this report.

By order of the board



V.K. Hampson

Director

Registered Number 04513916

19 September 2019

EUROGUARD TECHNICAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Employment Policy

The Company attaches considerable importance to communicating with colleagues. Internal communications take place at a group, divisional, business and team level in order to ensure that colleagues receive accurate information in a timely manner, and a variety of structures exist for two-way communication at all levels. At a corporate level the Group intranet is used to announce Company news with the support of direct email communication from the executive team. This is supplemented by a periodic electronic magazine called "The Right Way" which features interviews with senior executives about major initiatives and performance.

Applications for employment by disabled persons are always fully considered, taking into account the aptitudes of the applicants. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with Rentokil Initial continues and that appropriate re-training is made available. It is the policy of Rentokil Initial that the training, career development and promotion of disabled persons should, as far as possible, be identical with those of other employees.

Directors

The directors who served during the year are shown on page 1.

Dividends

An interim dividend of £nil was paid during the year (period ending 31 December 2017: £15,000). The Directors have not paid or proposed a final dividend during the year ended 31 December 2018 (period ending 31 December 2017: £nil).

Charitable and Political Donations

The Company made no charitable or political donations during the period (2017: £nil).

Suppliers Payment Policy

The Company's policy is to agree terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of payment terms.

Auditor

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

By order of the Board



C Stead
Company Secretary
19 September 2019
Registered Number 04513916
Riverbank
Meadows Business Park
Blackwater
Camberley
Surrey
GU17 9AB

EUROGUARD TECHNICAL SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

EUROGUARD TECHNICAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	<i>Notes</i>	Year Ending December 2018	Period Ending December 2017
		£	£
TURNOVER	2	173,032	298,633
Cost of sales		(80,099)	(43,945)
GROSS PROFIT		<u>92,933</u>	<u>254,688</u>
Administrative expenses		(2,911)	(179,134)
OPERATING PROFIT		<u>90,022</u>	<u>75,554</u>
Interest Payable	6	=	<u>(2,990)</u>
PROFIT BEFORE TAXATION		<u>90,022</u>	<u>72,564</u>
Taxation	7	7,642	(16,353)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>97,664</u>	<u>56,211</u>

The results of the year are wholly attributable to the continuing operations of the Company.

The notes on pages 10 to 14 form part of these financial statements.

EUROGUARD TECHNICAL SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2018


	<i>Notes</i>	As at 31 December 2018 £	As at 31 December 2017 £
CURRENT ASSETS			
Stocks		-	-
Debtors	8	211,944	139,498
Cash at bank and in hand		1,851	954
		<u>213,796</u>	<u>140,452</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	9	(51,403)	(75,724)
NET CURRENT ASSETS		<u>162,392</u>	<u>64,728</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>162,392</u>	<u>64,728</u>
NET ASSETS		<u>162,392</u>	<u>64,728</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account		162,292	64,628
EQUITY SHAREHOLDERS' FUNDS		<u>162,392</u>	<u>64,728</u>

The notes on pages 10 to 14 form part of these financial statements.

For the year ending 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for (a) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006, and (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 393 of that Act, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements were then approved by the Board of Directors on 19 September 2019 and signed on its behalf by


J K Hampson
Director
Registered Number 04513916
19 September 2019

EUROGUARD TECHNICAL SERVICES LIMITED**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018**

	Share capital	Profit and loss account	Total
	£	£	£
At 1 September 2016	100	23,417	23,517
Total comprehensive income for the year	-	56,211	56,211
Dividends	-	(15,000)	(15,000)
At 31 December 2017	<u>100</u>	<u>64,628</u>	<u>64,728</u>
At 1 January 2018	100	64,628	64,728
Total comprehensive income for the year	-	97,664	97,664
Dividends	-	-	-
At 31 December 2018	<u>100</u>	<u>162,292</u>	<u>162,392</u>

The notes on pages 10 to 14 form part of these financial statements.

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS – YEAR ENDED 31 DECEMBER 2018

1 STATEMENT OF ACCOUNTING POLICIES

Euroguard Technical Services Limited (the “Company”) is a private company limited by shares incorporated in England and Wales and domiciled in the United Kingdom.

Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on an historical cost basis. The presentation currency used is sterling.

Disclosure Exemptions Adopted

In preparing these financial statements the Company applies the recognition measurement and disclosure requirements of the International Financial Reporting Standards as adopted by the EU but makes amendments where necessary to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- a Cash Flow Statement and related notes;
- comparative period reconciliations for tangible assets and intangible assets;
- disclosures in respect of capital management;
- the effect of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosure in respect of transactions with other wholly owned members of the group headed by Rentokil Initial plc.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Going Concern

After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future and for at least 12 months from the date of signing the financial statements. The directors therefore continue to adopt the going concern basis in preparing the accounts.

Turnover

Turnover represents the amounts receivable for the provision of services and supply of goods, excluding Value Added Tax provided in the normal course of business. Turnover is recognised when work has been carried out. Work completed but not invoiced is recognised as accrued income.

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2018 (Continued)

1 STATEMENT OF ACCOUNTING POLICIES (Continued)

Tangible Fixed Assets

All assets are stated at historical cost.

Depreciation is calculated to write down the cost of all tangible fixed assets less estimated residual value, by equal annual instalments over their expected useful economic lives, principally over the following periods:

Motor vehicles	4 years
Office equipment, furniture and fittings	3 - 10 years
Plant, machinery and equipment	3 - 10 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value, using the first-in first-out principle. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average price is used.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Pensions

The Company provides pensions to eligible employees through a defined contribution pension scheme. The cost of contributions to this scheme is charged to the profit and loss account as they are incurred. The assets of the scheme are held separately from those of the Company in independently administered funds.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. All tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2018 (Continued)

1 STATEMENT OF ACCOUNTING POLICIES (Continued)

Financial Assets

The Company classifies its financial assets as loans and receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

The Company's loans and receivables comprise trade and other receivables, loans from group companies and cash and cash equivalents in the statement of financial position.

Loans to group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method. The carrying amounts of non-interest bearing loans owed by the parent and group undertakings are repayable on demand. Therefore, the carrying value is equal to the fair value of the instruments.

Cash and cash equivalents include cash in hand and call deposits. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Financial Liabilities

The Company classifies its financial liabilities at amortised cost. Financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from Group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method. The carrying amounts of non-interest bearing loans owed by the parent and group undertakings are repayable on demand. Therefore, the carrying value is equal to the fair value of the instruments.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

2 TURNOVER

All of the Company's turnover for the current and prior period was derived from its principal activity and is carried out in the UK.

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2018 (Continued)

3 PROFIT BEFORE TAXATION

	Year to 31 December 2018 £	Period to 31 December 2017 £
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	-	5,645
Auditors remuneration – audit fees	-	15,000
Operating lease charges:		
Land and buildings	-	2,400
Other	-	16,870

No lease commitments were outstanding as at 31 December 2018.

4 STAFF COSTS

Employee costs during the year were as follows:

	Year to 31 December 2018 £	Period to 31 December 2017 £
Wages and salaries	-	59,126
Social security costs	-	3,543
Other pension costs	-	291
	=	<u>62,960</u>

	Year to 31 December 2018 Number	Period to 31 December 2017 Number
The average number of employees during the year	-	4

The Company has no employees and accordingly there are no employee costs (2017: £62,960).

5 DIRECTORS REMUNERATION

	Year to 31 December 2018 £	Period to 31 December 2017 £
Directors emoluments	-	5,440
	-	<u>5,440</u>

All director remuneration the period to 31 December 2017 refers to emoluments taken prior to the acquisition on 24 April 2017.

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2018 (Continued)

5 DIRECTORS REMUNERATION (continued)

The Company directors are also directors of fellow group subsidiaries. Kris Hampson and Phill Wood are directors of Rentokil Initial UK Limited and provide their services primarily to that company. As such their remuneration has been paid in full by Rentokil Initial UK Limited and their remuneration has been disclosed in the relevant accounts of the group for which they provided services as directors during 2018, where appropriate. Daragh Fagan is a director of Rentokil Initial 1927 plc and provides his services primarily to that company. As such his remuneration is paid by and disclosed in the accounts of Rentokil Initial 1927 plc. It is not considered practicable to allocate a charge for services provided during 2018 for the directors of this Company due to the limited scale of the Company. (2017: £5,440).

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 December 2018 £	Period to 31 December 2017 £
Other interest paid	-	2,990
	=	<u>2,990</u>

7 TAXATION ON PROFIT

Analysis of charge in period	2018 £	2017 £
UK corporation tax:		
Current tax on income for the period	-	16,353
Adjustments in respect of prior periods	(7,642)	-
	<u>(7,642)</u>	<u>16,353</u>
Deferred tax (note 10)		
Current year	-	(2,022)
Prior year	-	2,022
	=	=
Tax on profit	<u>(7,642)</u>	<u>16,353</u>

Factors affecting the tax charge for the current period:

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2018 (Continued)

7 TAXATION ON PROFIT (continued)

The current tax charge for the period is lower (2017: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2018	2017
	£	£
Current tax reconciliation:		
Profit before tax	90,022	72,564
Current tax at 19% (2017: 19.43%)	<u>17,104</u>	<u>14,099</u>
Effects of:		
Expenses not deductible for tax purposes	-	1,943
Difference between current tax rate and deferred tax rate	-	(1,711)
Adjustments in respect of prior periods	(7,642)	2,022
Group relief claimed for nil consideration	(17,104)	-
Total current tax charge (see above)	<u>(7,642)</u>	<u>16,353</u>

Factors affecting the tax charge for future periods:

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) are enacted in UK law at the Balance Sheet date.

8 DEBTORS

	2018	2017
	£	£
Trade debtors	10,465	101,318
Accrued revenue	-	24,403
Amounts owed by Group companies	193,094	13,777
Other tax and social security	8385	-
	<u>211,944</u>	<u>139,498</u>

Amounts owed by Group companies are interest free and repayable on demand.

9 CREDITORS

	2018	2017
	£	£
Corporation tax	-	16,353
Accruals and deferred income	51,403	59,371
	<u>51,403</u>	<u>75,724</u>

10 DEFERRED TAX ASSET

	2018	2017
	£	£
At 31 December 2017	-	-
Deferred tax credit in profit and loss account – current year	-	(2,022)
Deferred tax credit in profit and loss account – prior year	-	2,022
At 31 December 2018	=	=

EUROGUARD TECHNICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 2018 (Continued)

11 SHARE CAPITAL

	2018	2017
	£	£
Allotted, called up and fully paid 100 (2017:100) Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

12 ULTIMATE PARENT COMPANY

The Company's immediate parent company is Rentokil Initial UK Limited. The Company's ultimate parent company is Rentokil Initial plc, which forms the only Group into which the financial statements of the Company are consolidated. The consolidated financial statements of Rentokil Initial plc are available from Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB.

13 EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events occurring after the balance sheet date.

14 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. There has been no material impact on these financial statements.

As the Company does not enter into operating leases the adoption of IFRS 16 Leases as at 1 January 2019 will have no impact on the financial statements.