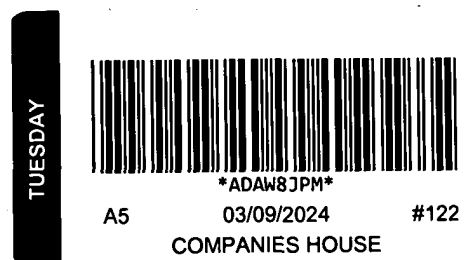


# Berendsen Limited

## Report and financial statements

Year ended 31 December 2023

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 2023.

#### 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 2023, after taxation, amounted to £90.3m (2022: £153.4m). The reduction year on year was primarily as a result of a reduction in dividends received from subsidiaries from £165.9m to £91.8m. In the prior year, there were losses on disposal and dissolution of investments of £10.2m, which weren't repeated in the current year.

#### 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 foreign currency risk is now low as the Company no longer holds foreign currency loans or bank accounts. Although the day-to-day cash flows of the Company are not significant, the main cash flow risk is if the defined benefit pension scheme requires further cash injection, although it is currently in surplus.

#### 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.

#### Non-Financial and Sustainability Information Statement

In accordance with the Reporting requirements under sections 414CA and 414CB of the Companies Act 2006 the Directors have set out below the information required in respect to Climate Related Financial Disclosures.

The risks and impacts posed by climate change are set out below alongside relevant mitigations, where appropriate, that the Group has already put in place or plans to implement in due course. The identified risks have been classified accordingly to the horizon over which the risk may crystallise.

Elis has designed a group governance structure overseen by the Chairman of the Management Board and led by the Corporate Social Responsibility (CSR) Director, who reports directly to the Chairman. Every year, the Management Board reports to the Supervisory Board on the results achieved through the implementation of the action plan defined as part of the CSR strategy. In particular its climate progress and related risks and opportunities.

The Management Board, under the oversight of the Supervisory Board, with the assistance of the CSR Committee, regularly reviews recommendations of opportunities and risk prevention measures.

The Executive Committee regularly deals with sustainability related topics during its meetings, particularly its main aspects. The purpose of these meetings is to keep the Executive Committee informed of the Company's CSR risks and opportunities and to review the CSR strategy, goals and performance to date, as well as stakeholder expectations and feedback.

## Berendsen Limited

### Strategic report (continued)

#### Non-Financial and Sustainability Information Statement (continued)

Internal control and risk management framework is based on a set of resources, policies, behaviours, procedures and adapted actions aimed at ensuring that the necessary measures are taken in order to manage; business activities, the effectiveness of operations and the efficient use of resources, risks that may have a material impact on the company's assets or the reaching of its objectives, whether of an operational or financial nature or related to compliance with laws and regulations.

In accordance with AFEP-MEDEF the Code, climate related risks are integrated into the Elis risk management and internal control process, coordinated by the Management Board, under the oversight of the Supervisory Board, with the assistance of the CSR Committee. The management framework is based on a set of resources, policies, behaviours, procedures and adapted actions aimed at ensuring that the necessary measures are taken in order to manage risks that may have a material impact on the company's assets or the reaching of its objectives, whether of an operational or financial nature or related to compliance with laws and regulations.

In 2022, the company's industrial, supply chain, finance and CSR teams also worked together to produce a better mapping of risks and opportunities, in particular in relation to the 2030–2040 climate scenarios (WRI Aqueduct Tool Water Risk Atlas for water scarcity, aligned with the 2.1°C or 3°C scenarios, and qualitative analysis based on the Shared Socioeconomic Pathway (SSP) approach). The entire supply chain was taken into account in the risk analysis below.

Category of risks and opportunities	Description	Materialisation Horizon	Significance of the potential financial impact
Transition Risk	Risks related to the (direct or indirect) costs of energy resources due, for example, to changes in carbon regulations	Medium term	Low to moderate
Physical Risk	Risk related to business disruption due to pressure on water resources (drought or lack of water availability in areas with high water stress) and adaptation to climate change. None of the company's sites are located in areas expected to be at risk of water stress in the long term. In addition, the Group only consumes small amounts, as the amount of water returned is close to that withdrawn (with evaporation losses limited to around 15%).	Short to Medium Term	Low
Opportunities	The development of new transportation technologies with zero or reduced emissions (in use). These new technologies could, in fact, enable easier access to downtown areas and meet growing customer demand.	Short to medium term	Low
Category of risks and opportunities	Description	Materialisation Horizon	Significance of the potential financial impact
Transition Risk	Risk of increased stakeholder expectations in terms of contribution to climate change mitigation: employees, customers, shareholders and lenders.	Medium term	Low
Opportunities	Customers increasingly taking into account issues related to climate change and the company's commitment in this area could create increased demand for services. The Company is carrying out many activities (materials, optimization of industrial processes, logistics fleet, etc.) to limit the footprint of its products and services over their entire life cycle. In 2023, the Company also announced its Climate Strategy aligned with the Paris Climate Agreement.	Short Term	Low to Moderate
	The Company could benefit from existing or future regulations concerning product reuse and repair, and the fight against single-use products creating increased demand for products and services based on the principles of the circular economy.	Medium term	Low to moderate

## Berendsen Limited

### Strategic report (continued)

#### Non-Financial and Sustainability Information Statement (continued)

Climate risks and opportunities affect the company's strategy, in terms of products and services (with a circular economy business model, the development of more responsible products, partnerships with upstream suppliers), in its operations (reduction in water and energy consumption, for example), and in its relationships with its business partners (efforts to reduce linen loss with customers, partnership with cleaning product suppliers to optimize energy consumption or with electric vehicle makers to analyse needs and implementation). The density of the geographic coverage has enabled the business to boost its resilience and agility, such that if a critical event were to put one site out of commission, another one could operate in its place to maintain customer services.

Elis UK is committed to reaching Net Zero by 2045, in support of the UK government and delivery of critical services to the NHS.

Elis's ambition is to achieve the following targets by 2030:

- Reducing absolute Scope 1 and 2 CO<sub>2</sub>eq emissions by 47.5%, between 2019 and 2030
- Reducing absolute Scope 3 CO<sub>2</sub>eq emissions by 28%, between 2019 and 2030.

These targets have been approved by the Science Based Targets initiative (SBTi), in line with the objectives of the 2015 Paris Climate Agreements to contribute to restricting global warming to less than 1.5°C compared to preindustrial levels on Scopes 1 and 2, and well below 2°C on Scope 3.

The carbon emission reduction achieved to date equate to 4,696 tCO<sub>2</sub>e, a 2% reduction against the 2019 baseline.

Key Performance Indicators	Calculations	2025 Target
Reducing our Scope 1 and 2 emissions	% reduction in CO <sub>2</sub> eq intensity (Scopes 1 and 2 – location-based) since 2010	-20%
	% reduction in thermal energy per kg of linen delivered	-35%
Reducing our Scope 3 emissions	Share of product families with at least one collection composed of sustainable materials	100%
	Share of end-of-life textiles reused or recycled	80%
Reducing our use of water resources to increase our operational resilience in the face of climate change	% reduction in water consumption per kg of linen delivered between 2010 and 2025 (European laundries)	-50%

#### Section 172 (1) Statement

The directors consider, individually and collectively, that they have acted in a way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172 of the Companies Act 2006, namely:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business contact; and
- (f) the need to act fairly between members of the Company.

The following summarises how the directors fulfil their duties:

#### Risk management

It is vital that we effectively identify, evaluate, manage and mitigate the risks that we face as a business. For details of the risks and uncertainties and how they are dealt with, refer to the section above.

#### Employees

As an investment holding company, the Company has no employees other than the directors.

## Berendsen Limited

### Strategic report (continued)

#### Section 172 (1) Statement (continued)

##### Business relationships

The Company's main relationships are with fellow Group companies, with which the Company has strong long-term relationships as all Group companies work towards the common goal of generating returns for the Group's ultimate shareholders.

##### Community and environment

Exceeding environmental compliance is a key feature of business strategy for the trading subsidiaries of the Company. We are mindful of the environmental impact of the Company's subsidiaries and encourage those companies to minimise this as much as possible by ensuring that sustainability is at the heart of their business models.

##### Maintaining a reputation for high standards of business conduct

Our intention is to behave responsibly and ensure that management operates the business in a responsible manner. Given the nature of the Company as an investment holding company, business relationships are mostly with fellow Group companies, and we strive to uphold the highest standards of business conduct when dealing with those companies.

##### Members of the Company

The shareholders of the Company are closely involved in any major decisions made by the board relating to the current running and the future of the Company in order to work towards the common goal as stated above of generating returns for the Group's ultimate shareholders.

### Energy and carbon report

The Company is exempt from reporting as it is a low energy user for the year ended 31 December 2023, consuming less than 40MWh during the year. However, the Company is the ultimate parent entity for a number of direct and indirect subsidiaries; as such the UK Streamline Energy Carbon Reporting associated with the UK Group of companies is as follows:

	2023	2022
Energy consumption used to calculate emissions (kWh)	Electricity - 41,341,771 Gas - 309,790,452	Electricity - 41,221,350 Gas - 303,812,994
i) Emissions from combustion of gas (Scope 1, location based) (tCO <sub>2</sub> e)	56,670	55,646
ii) Emissions from combustion of vehicle fuels (Scope 1) (tCO <sub>2</sub> e)	14,944	14,945
iii) Emissions from purchased electricity (Scope 2, location based) (tCO <sub>2</sub> e)	8,561	7,971
iv) Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing fuel (Scope 3) (tCO <sub>2</sub> e)	697	776
<b>Total gross CO<sub>2</sub>e based on above (tCO<sub>2</sub>e)</b>	<b>80,872</b>	<b>79,338</b>
v) Intensity ratio: tCO <sub>2</sub> e gross figure based on mandatory fields (tCO <sub>2</sub> e/tonnes of production)	0.293	0.292

**Berendsen Limited**

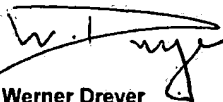
**Strategic report (continued)**

**Energy and carbon report (continued)**

Methodology

i) Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1)	tCO <sub>2</sub> e calculated from the invoiced gas consumption in kWh during the reporting period converted using the 2023 UK Government GHG Conversion Factors for Company Reporting (version 1.1) for 'Natural Gas' at Gross CV.
ii) Emissions from combustion of vehicle fuels (Scope 1) (tCO <sub>2</sub> e)	CO <sub>2</sub> e values were calculated using litre data at the individual vehicle level, converted using UKGov (2023) conversion values, following allocation of Scope 3 vehicle emissions, with the remainder categorised as Scope 1. The values were multiplied by 1,000 in order to convert from KgCO <sub>2</sub> e to tonnesCO <sub>2</sub> e. Elis keep two records of fuel consumption: bulk diesel and fuel card purchases of diesel and petrol
iii) Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2, location based)	tCO <sub>2</sub> e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2023 UK Government GHG Conversion Factors for Company Reporting (version 1.1) for 'Electricity Generated/Electricity: UK'
iv) Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing fuel tCO <sub>2</sub> e (Scope 3)	Diesel/petrol litres provided by Elis UK, Scope 3 vehicle categories were: Elis Co Car Fuel Card and Elis Co Car Fully Expensed Fuel Card
v) Intensity ratio: tCO <sub>2</sub> e gross figure based on mandatory fields	The intensity ratio stated above has been calculated as tonnes of CO <sub>2</sub> e per tonnes of production (273,964 tonnes in 2023)

On behalf of the board

  
**Werner Dreyer**  
Director  
28 June 2024

## **Berendsen Limited**

### **Directors' report**

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2023.

### **Future developments**

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

### **Dividends**

The Directors declared a dividend during the year of £106.3m (2022: £144.0m).

### **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 were as follows:

Werner Dreyer  
Mark Franklin  
Xavier Martiré

### **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.

### **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 (United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 "Reduced Disclosure framework" (FRS 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:

- 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.

## **Berendsen Limited**

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


#### **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.

#### **Independent auditors**

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

This report was approved by the board on 28 June 2024 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 2023 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 2023 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 annual 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 this gives rise to 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**

#### **Opinions on other matters 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.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-money laundering regulation.

## **Berendsen Limited**

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

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

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.

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:

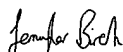
- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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



Jennifer Birch (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
30 Old Bailey  
London  
EC4M 7AU  
28 June 2024

## Berendsen Limited

### Income Statement for the year ended 31 December 2023

		Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
	Notes		
Administrative (expenses)/income		(1.2)	0.1
Other operating expenses		-	(10.3)
Other operating income		91.8	165.9
<b>Operating profit and Profit before interest and taxation</b>	2	<b>90.6</b>	<b>155.7</b>
Finance income	5	1.1	2.8
Finance costs	6	-	(1.4)
<b>Profit before taxation</b>		<b>91.7</b>	<b>157.1</b>
Taxation	7	(1.4)	(3.7)
<b>Profit for the financial year</b>		<b>90.3</b>	<b>153.4</b>

All results derive from continuing operations.

The notes on pages 14 to 26 form part of the financial statements.

## Berendsen Limited

### Statement of Comprehensive Income for the year ended 31 December 2023

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Profit for the financial year	90.3	153.4
<i>Items that cannot be subsequently reclassified into profit or loss:</i>		
Actuarial losses recognised in pension scheme net of deferred tax	(5.6)	(20.3)
	<u>(5.6)</u>	<u>(20.3)</u>
<b>Total comprehensive income for the year</b>	<b><u>84.7</u></b>	<b><u>133.1</u></b>

The notes on pages 14 to 26 form part of the financial statements.

## Berendsen Limited

### Statement of Changes in Equity for the year ended 31 December 2023

	Share capital	Share premium	Other reserves	Capital redemption reserve	Retained earnings	Total £m
At 1 January 2022	313.4	99.9	21.1	173.5	407.9	1,015.8
Profit for the financial year	-	-	-	-	153.4	153.4
Actuarial loss recognised in pension scheme net of deferred tax	-	-	-	-	(20.3)	(20.3)
Dividends payable (note 8)	-	-	-	-	(144.0)	(144.0)
At 31 December 2022	<u>313.4</u>	<u>99.9</u>	<u>21.1</u>	<u>173.5</u>	<u>397.0</u>	<u>1,004.9</u>
Profit for the financial year	-	-	-	-	90.3	90.3
Actuarial loss recognised in pension scheme net of deferred tax	-	-	-	-	(5.6)	(5.6)
Dividends payable (note 8)	-	-	-	-	(106.3)	(106.3)
At 31 December 2023	<u>313.4</u>	<u>99.9</u>	<u>21.1</u>	<u>173.5</u>	<u>375.4</u>	<u>983.3</u>

The notes on pages 14 to 26 form part of the financial statements.

## Berendsen Limited

### Balance Sheet

As at 31 December 2023

	Note	2023 £m	2022 £m
<b>Assets</b>			
<b>Fixed assets</b>			
Investments	9	974.1	974.1
<b>Current assets</b>			
Pension scheme asset: amounts falling due after more than one year	11	7.1	14.1
Debtors	12	5.7	24.3
Cash and cash equivalents		-	0.1
		<u>12.8</u>	<u>38.5</u>
<b>Current liabilities</b>			
Amounts falling due within one year	13	(2.5)	(5.9)
<b>Net current assets</b>		<u>10.3</u>	<u>32.6</u>
Deferred tax liabilities	10	(1.1)	(1.8)
<b>Net assets</b>		<u>983.3</u>	<u>1,004.9</u>
<b>Equity</b>			
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		375.4	397.0
<b>Total equity</b>		<u>983.3</u>	<u>1,004.9</u>

The notes on pages 14 to 26 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 28 June 2024. They were signed on its behalf by:

  
Werner Dreyer  
Director

## **Berendsen Limited**

### **Notes to the financial statements for the year ended 31 December 2023**

Berendsen Limited is a limited company by shares incorporated and domiciled in the UK with a registered address of First Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA.

#### **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 convention.

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

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

The Company is exempt from preparing consolidated financial statements under section 401 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 balances 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 2023 (continued)

#### 1 Accounting policies (continued)

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

The current income tax charge 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 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.

##### **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.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 2 Operating profit

	2023	2022
	£m	£m
Operating profit is stated after crediting/(charging)		
Dividends receivable from subsidiaries	91.8	165.9
Loss on disposal and dissolution of investments	-	(9.4)
Other losses on disposal of subsidiary	-	(0.8)
Net foreign exchange loss	-	(0.1)
	<u>          </u>	<u>          </u>

The audit fee for year ended of £10,000 (2022: £9,000) has been borne by Elis UK Limited.

#### 3 Staff costs

##### *Employee numbers*

The Company had no employees during the year (2022: nil).

#### 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 they were paid by the companies in the group.

#### 5 Finance income

	2023	2022
	£m	£m
Interest receivable from group undertakings	-	1.8
Interest receivable from parent undertakings	1.1	0.9
Bank interest receivable	-	0.1
	<u>1.1</u>	<u>2.8</u>

#### 6 Finance costs

	2023	2022
	£m	£m
Interest payable to group undertakings	-	1.2
Bank and other interest payable	-	0.2
	<u>          </u>	<u>1.4</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 7 Taxation

	2023 £m	2022 £m
<b>(a) Analysis for the year:</b>		
<i>Current tax:</i>		
UK corporation tax credit	(0.1)	-
Amounts under provided in previous years	0.4	1.8
Total current tax charge	<u>0.3</u>	<u>1.8</u>
<i>Deferred tax:</i>		
Relating to origination and reversal of timing differences	0.1	0.4
Amounts underprovided in previous years	1.0	1.5
Total deferred tax charge	<u>1.1</u>	<u>1.9</u>
<b>Total tax charge in the income statement</b>	<u>1.4</u>	<u>3.7</u>
<b>(b) Factors affecting current taxation for the year:</b>		
<b>Profit on ordinary activities before tax</b>	<u>91.7</u>	<u>157.1</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.5% (2022: 19%)	21.5	29.8
<i>Adjustments in respect of:</i>		
Expenses not deductible for tax purposes	0.1	2.0
Non taxable income	(21.6)	(31.5)
Amounts underprovided in previous years	1.4	3.3
Effect of change in tax rate	-	0.1
	<u>1.4</u>	<u>3.7</u>

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

	2023 £m	2022 £m
Deferred tax on actuarial losses	1.8	6.8
Total credited to comprehensive income	<u>1.8</u>	<u>6.8</u>
Total credited to equity	<u>1.8</u>	<u>6.8</u>
Analysed as:		
Deferred tax (note 10)	1.8	6.8
	<u>1.8</u>	<u>6.8</u>

#### 8 Dividends

	2023 £m	2022 £m
<i>Equity dividends paid during the year</i>		
Final dividend for the year ended 31 December 2022 of 10.18 pence per share (2021: 13.79 pence)	<u>106.3</u>	<u>144.0</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 9 Investments

	<b>Total £m</b>
<b>Cost</b>	
At 1 January 2023 & 31 December 2023	<u>975.8</u>
<b>Impairment provisions</b>	
At 1 January 2023 & 31 December 2023	<u>(1.7)</u>
<b>Net book value</b>	
At 1 January 2023 & 31 December 2023	<u>974.1</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%.

<b>Company name</b>	<b>Country of incorporation</b>	<b>Registered office</b>
Elis UK Limited	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Berendsen Finance Limited	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Berendsen Nominees Ltd	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Berendsen Finance (DKK) Limited *	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Berendsen Finance (Euro) Limited *	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Elis Danmark A/S	Denmark	Tobaksvejen 22, DK-2860, Søborg

\* Companies struck off after the year end

Davis (BIM) Ltd, a 100% owned company at the end of the prior year, was struck off during the year. Its registered office was Intek 3, Wade Road, Basingstoke, RG24 8NE.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 9 Investments (continued)

The following is a list of entities in which the Company has an indirect interest:

Company name	% equity interest	Country of incorporation	Registered office
AS "Elis Tekstila Serviss"	100.0%	Latvia	9 Bukaišu Street, Riga, LV-1004
Elis Austria GmbH	100.0%	Austria	Schäfferhofstraße 17, 6971 Hard
Elis Beteiligungs GmbH	11.0%	Germany	Stadtstraße 3-7, 25349 Glückstadt
Elis Textile Service sp. zoo	100.0%	Poland	ul. Duńska 1, Żukowo 83-330
Elis Supply Chain Centre sp. Zoo	100.0%	Poland	Dzialkowców 15, 84-230 Rumia
Elis Textile Service, UAB	100.0%	Lithuania	Jankiškių g. 52, 02300 Vilnius
Elis Norge AS	100.0%	Norway	P.O. Box 6650 Etterstad, Oslo, 0609
Elis Textile Care SK s.r.o	100.0%	Slovakia	Ludovíta Stárka 2152/16, 911 05 TRENČÍN
A S Varmil Ltd.	100.0%	Estonia	Ida-Viru maakond, Lüganuse vald, Kiviõli linn, Kalevi tn 6, 43122
Elis Textile Service A/S	100.0%	Estonia	Lao tn 10, Nõo alevik, Nõo vald, Tartu maakond, 61601
Flis Textile Service OY	100.0%	Finland	Huurrokuja 5, Tuusula, 1360
Berendsen A/S	100.0%	Denmark	Tobaksvejen 22, DK-2860, Søborg
Elis Netherlands Holding BV	100.0%	Netherlands	Pieter Calandweg 2, 6827 BK, Arnhem
Elis Nederland BV	100.0%	Netherlands	Pieter Calandweg 2, 6827 BK, Arnhem
Elis Pest Control Nederland BV	100.0%	Netherlands	Pieter Calandweg 2, 6827 BK, Arnhem
Arvo Protect BV	100.0%	Netherlands	Haarlemmermeer - Lireweg 52 - 2153 PH Nieuw-Vennep
Hexapoda Ongediertebestrijding BV	100.0%	Netherlands	Zadelmakerstraat 64, 1991JE Velsersbroek
Elis Holding AB	100.0%	Sweden	Skåne län Box 17143, 200 10, Malmö
Elis Design & Supply Chain Centre AB	100.0%	Sweden	Exportgatan 26 , SE-422 46, HISINGS BACKA
Elis Textil Service AB	100.0%	Sweden	Skåne Län, Box 17143, 200 10, Malmö
Nyköping Pilen 6 AB	100.0%	Sweden	Skåne Län, Box 17143, 200 10, Malmö
Elis GmbH	11.0%	Germany	Daimlerstraße 73, 22761 Hamburg
Elis Glückstadt GmbH	11.0%	Germany	Daimlerstraße 73, 22761 Hamburg
Elis Nordost GmbH	11.0%	Germany	Lindenstraße 61, 15517, Fürstenwalde/Spree
Elis Schleswig GmbH	11.0%	Germany	Heinrich-Hertz-Straße 17, 24837, Schleswig
Elis West GmbH	11.0%	Germany	Pettenkoferstraße 23, 58097 HAGEN
Jentex GmbH	11.0%	Germany	Bachstraße 18, 07742 JENA
TSL Textilservice - und Logistik GmbH	11.0%	Germany	Lindenstraße 61, 15517, Fürstenwalde/Spree
Elis Textilmanagement GmbH	11.0%	Germany	Daimlerstraße 73, 22761 Hamburg
Niessing Miettextil GmbH & Co. KG	11.0%	Germany	Industriestraße 8, 21493 SCHWARZENBEK
Decontam GmbH	11.0%	Germany	Hofmannstraße 13, 91438 BAD WINDSHEIM
Decontam SCHWEIZ GmbH	11.0%	Switzerland	c/oTrewitax Zürich AG, Uraniastrasse 18, 8001 ZÜRICH
Elis Group Services GmbH	11.0%	Germany	Daimlerstraße 73, 22761 Hamburg
Steamtech GmbH	11.0%	Germany	Bruchwiesenstraße 37, 66849 LANDSTUHL
Verwaltung Niessing GmbH	11.0%	Germany	Industriestraße 8, 21493 SCHWARZENBEK
Haber Geschäftsführungs GmbH	11.0%	Germany	Bruchwiesenstraße 37, 66849 LANDSTUHL
Elis Landstuhl GmbH & Co. KG (formerly Haber Textile Dienste GmbH & Co. KG)	11.0%	Germany	Bruchwiesenstraße 37, 66849 LANDSTUHL

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 9 Investments (continued)

<b>Company name</b>	<b>% equity interest</b>	<b>Country of incorporation</b>	<b>Registered office</b>
Rentex Vertrieb GmbH	11.0%	Luxembourg	3, rue Nicolas Adames, L-1114 LUXEMBOURG
Servicetex GmbH	11.0%	Germany	Steinkirchring 42, 78056 Villingen-
A-Vask A/S	100.0%	Denmark	Tobaksvejen 22, DK-2860, Søborg
OOO Berendsen	100.0%	Russia	Vogogradskiy prospect 42 k 5, 109316 MOSCOU
Independent Workwear Solutions Ltd	100.0%	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Pure Washrooms Ltd	100.0%	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Pure Washrooms (Coventry) Ltd	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Spring Grove Services Group Limited	100.0%	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Berendsen Ireland Holdings Ltd	100.0%	Eire	Pottery Road, Dun Laoghaire A96E5W9, Co. Dublin
Elis NI Limited	100.0%	Northern Ireland	C/O Carson Mcdowell, Murray House, Murray Street, Belfast, BT1 6DN
Northern Pest Control Ltd	100.0%	Northern Ireland	Unit 4 Business Park, Garvagh Road, Swatragh, Maghera BT46 5QE
Berendsen Supply Chain (Northern Ireland) Limited	100.0%	Northern Ireland	C/O Carson Mcdowell, Murray House, Murray Street, Belfast, BT1 6DN
Elis Textile Services Ltd	100.0%	Eire	Pottery Road, Dun Laoghaire A96E5W9, Co. Dublin
Steritex Ltd	100.0%	Eire	Pottery Road, Dun Laoghaire A96E5W9, Co. Dublin
Elis Pest Control Ltd	100.0%	Eire	Greenogue Business Park, Rathcoole, Co. Dublin
Elis Textiles Ltd	100.0%	Eire	Unit 1b, South City Business Park, Tallaght, Dublin 24, Co. Dublin

The companies below were 100% indirectly owned at the end of the prior year but struck off during the year.

<b>Company name</b>	<b>% equity interest</b>	<b>Country of incorporation</b>	<b>Registered office</b>
Berendsen Finance (Euro 2) Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Berendsen Healthcare Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Berendsen Cleanroom Services Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Berendsen Hospitality Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
St. Helens Laundry Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Berendsen Workwear Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Central Laundry Ltd	100.0%	England	1st Floor, Chineham Gate Crockford Lane, Chineham, Basingstoke, RG24 8NA
Sunlight Textile Services Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE
Fabricare Limited	100.0%	England	Intec 3, Wade Road, Basingstoke, RG24 8NE

**Berendsen Limited**

**Notes to the financial statements for the year ended 31 December 2023 (continued)**

**10 Deferred tax**

<i>Deferred tax assets</i>	<b>Tax losses £m</b>
at 31 December 2022	1.7
Prior year adjustment	(1.0)
At 31 December 2023	<u>0.7</u>

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

<i>Deferred tax liabilities</i>	<b>Pensions £m</b>
at 31 December 2022	(3.5)
Charge in year through income statement	(0.1)
Credit in year through other comprehensive income	1.8
At 31 December 2023	<u>(1.8)</u>
	<b>2022 £m</b>
	<b>2023 £m</b>
Net deferred tax liability	<u>(1.8)</u>
	<u>(1.1)</u>

**11 Pension**

	<b>2023 £m</b>	<b>2022 £m</b>
<i>The amounts recognised in the balance sheet are determined as follows:</i>		
Present value of obligations	(234.3)	(229.6)
Fair value of plan assets	241.5	243.7
Net asset recognised in balance sheet	<u>7.1</u>	<u>14.1</u>

The Company participates in a defined benefit scheme with a subsidiary undertaking. 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 a previous 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 2022 and signed off by the Pension Scheme's Trustees in March 2023. As at the triennial date (1 February 2022) 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.

**Notes to the financial statements for the year ended 31 December 2023 (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 comprised 16 active employees, 1,245 deferred members and 1,409 members in retirement.

Expected contributions by the Company, including special contributions, to post employment benefit schemes for the year ended 31 December 2024 are £0.1 million.

The weighted average duration of the defined benefit obligation in the UK scheme is 13 years (2022: 12 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 Scheme liabilities are calculated using a discount rate set with reference to corporate bond yields; if Scheme assets underperform this yield, this can result in a reduction in the surplus, or a deficit. To reduce this risk, the Scheme holds a significant proportion of debt instruments, as the valuation of debt instruments tends to move broadly in line with Scheme liabilities.

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

The Scheme therefore also holds investment funds, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

**(b) Changes in bond yields**

A decrease in corporate bond yields will increase Scheme liabilities, although this will be partially offset by an increase in the value of the Scheme's 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 Scheme's invested assets include equities, while IAS 19 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 Scheme against extreme inflation). The majority of the Scheme'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 2023 (continued)

#### 11 Pension (continued)

The actuarial valuation of the UK scheme has been updated as at 31 December 2023 by qualified actuaries using revised assumptions that are consistent with the requirements of IAS 19. The principal assumptions made by the actuaries were:

	2023	2022
	%	%
Rate of increase in pensionable salaries	2.7	2.8
Rate of increase in pensions in payment and deferred pension		
RPI max 5%	2.8	2.9
CPI max 3%	1.9	1.9
Discount rate	4.8	5.0
Inflation rate – RPI	2.9	3.0
Inflation rate – CPI	2.3	2.3

#### *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:

	2023	2022
	years	years
Male	22.3	22.5
Female	24.2	24.4

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

	2023	2022
	years	years
Male	23.1	23.3
Female	25.1	25.3

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 2023 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.

	2023	2022
	£m	£m
<i>The amounts recognised within profit for the year are as follows:</i>		
Current service cost	-	0.2
Interest cost	11.2	6.5
Return on plan assets, net	(11.9)	(7.2)
Administrative expenses	0.4	0.2
Total included within profit	<u>(0.3)</u>	<u>(0.3)</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 11 Pension (continued)

	2023	2022
	£m	£m
<i>Changes in the present value of the defined benefit obligation are as follows:</i>		
Present value of obligations as at 1 January	229.6	363.8
Current service cost	-	0.2
Interest cost	11.2	6.5
Actuarial loss/(gain)	5.1	(130.0)
Benefits paid	(11.6)	(10.9)
Present value of obligations as at 31 December	<u>234.3</u>	<u>229.6</u>
	2023	2022
	£m	£m
<i>Changes in the fair value of the plan assets are as follows:</i>		
Fair value of plan assets as at 1 January	243.7	404.5
Return on plan assets	11.9	7.2
Contributions – employee and employer	0.2	0.2
Benefits paid	(11.6)	(11.0)
Actuarial loss	(2.3)	(157.0)
Administrative expenses	(0.4)	(0.2)
Fair value of plan assets as at 31 December	<u>241.5</u>	<u>243.7</u>
	2023	2022
	£m	£m
<i>Fair value of plan assets</i>		
Cash and cash equivalents	2.4	2.8
Equity instruments	12.1	9.9
Debt instruments	156.9	149.7
Investment funds	70.1	81.3
Fair value of plan assets as at 31 December	<u>241.5</u>	<u>243.7</u>
	2023	2022
	£m	£m
<i>Actuarial gains and losses in the year may be further analysed as follows:</i>		
Return on plan assets	(2.3)	(157.0)
Gain from changes in demographic assumptions	2.9	1.6
(Loss)/gain from changes in financial assumptions	(4.7)	138.2
Loss from experience adjustments	(3.3)	(9.8)
Net actuarial loss recognised in the year	<u>(7.4)</u>	<u>(27.0)</u>
	2023	2022
	£m	£m
<i>Cumulative actuarial gains and losses recognised in equity</i>		
as at 1 January	(71.3)	(44.3)
Net actuarial loss recognised in the year	(7.4)	(27.0)
as at 31 December	<u>(78.7)</u>	<u>(71.3)</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.

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 11 Pension (continued)

##### 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	Impact on scheme liability	
		Increase in assumption £000	Decrease in assumption £000
Discount rate	0.50%	220.5	249.4
Salary growth rate	0.50%	234.2	234.2
Pension growth rate	0.50%	242.5	228.7
Price inflation rate	0.50%	242.5	226.4
Life expectancy	1 year	242.9	225.7

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

	2023 £m	2022 £m
Amounts due from group undertakings	3.8	4.3
Amounts due from parent undertakings	-	19.5
Prepayments	-	0.5
Corporation tax	1.9	-
	<u>5.7</u>	<u>24.3</u>

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

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

	2023 £m	2022 £m
Corporation tax	-	3.8
Amounts due to group undertakings	0.5	1.9
Amounts due to parent undertakings	1.5	-
Accruals and deferred income	0.5	0.2
	<u>2.5</u>	<u>5.9</u>

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

The average interest rate charged on the amounts due to parent undertakings was 6.69% (2022: 2.21%). The amounts due to group undertakings are interest free.

#### 14 Share capital

	2023 £m	2022 £m
Issued, called up and fully paid		
1,044.5 million (2022: 1,044.5 million) Ordinary shares of £0.30 each	<u>313.4</u>	<u>313.4</u>

## Berendsen Limited

### Notes to the financial statements for the year ended 31 December 2023 (continued)

#### 15 Contingent liabilities

	2023 £m	2022 £m
Principal obligations under insurance agreements	<u>4.1</u>	<u>4.1</u>

#### 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 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.