COMPANY NUMBER 09870184

PEOPLE AGAINST DIRTY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
01 July 2022

Directors	[illegible] [illegible] Keith Peterson
Company number	[illegible]
Registered office	The Ministry of Clean [illegible] Road [illegible] Surrey [illegible]
Independent auditor	[illegible] [illegible] Grosvenor Square Southampton SO15 2BE

The directors present their strategic report for People Against Dirty Holdings Limited and its subsidiaries ("the Group") for the period ended [illegible]

BUSINESS REVIEW

The Group's principal business is to develop, produce, market and sell environmentally sensitive cleaning products that emphasise innovative design, fragrances and packaging. The Group sells its products under the trade names "Method" and "Ecover", and sells primarily to mass market retailers, national grocery chains, drug chains and e-commerce retailers. The Group took on the business of Method Products UK Limited during the period from SC Johnson & Son [illegible] responsible for the sale of the Method brands in the UK market. Furthermore People Against Dirty Holdings Limited bought [illegible] of People Against Dirty UK Limited shares from Ecover Coordination Centre BV a subsidiary in the group.

KEY PERFORMANCE INDICATORS

The key financial performance indicators that are considered most important to measure the performance and progress of the Group are those below. Please note that all figures stated below relate to the results from continuing operations only.

Turnover

Turnover represents amounts receivable for goods and services supplied, net of discounts, rebates and sales taxes.

2022: €101.4m
2021: €10[illegible].8m

Gross Margin

Gross margin percentage is gross profit expressed as a percentage of group turnover.

2022: 28.6%
2021: 30.1%

Operating profit

Operating (loss) profit excluding exceptional items is operating profit adding back exceptional expenses.

2022: (€[illegible].8m)
2021: €5.[illegible]m

Net finance (costs)/income

Net finance (costs) income are the net interest expense in respect of facilities provided to the Group.

2022: (€1.6m)
2021: €1.4m

Net Surplus

Net surplus is the sum of short and long term debt receivable plus cash at bank and in hand (note [illegible]).

2022: €[illegible]m
2021: €8.7m

KEY PERFORMANCE INDICATORS (CONTINUED)

Turnover in the period ended 01 July 2022 was €101.4m (of which €5.[illegible]m related to Method Products UK Limited) compared to €10[illegible]m in the prior period. This represents a [illegible]% decrease compared to the prior period. The period continued to see category declines post COVID 19, particularly in relation to [illegible] personal care categories as consumers returned to more normal behaviours. [illegible] decline in the period driven by these two categories was [illegible] by growth in [illegible] sales. [illegible] growth remains [illegible] digital and decline in traditional channels such as grocery and [illegible].

Gross profit as a percentage of turnover (excluding specialist costs) was [illegible]% ([illegible]%) [illegible] Method [illegible] the period ended 01 July 2022 [illegible] the prior period. Margin dilution is driven by rising prices of materials and packaging particularly in the second half of the year. This is driven by global supply chain constraints post COVID 19 plus the impact of the war on Ukraine.

The operating result has decreased to a loss of €[illegible]m for the period ended 01 July 2022 (2021: operating profit €5m). The company continues to focus on cost management and control of the selling, distribution and administration costs. Limiting the increase in these costs compared with sales & margin growth provides leverage driving higher operating profit. The combination of lower margin plus the increase in these costs resulted in the reduced operating profit in the period.

Net finance costs have increased to €[illegible]m in the period ended 01 July 2022 (2021: net finance income €1.4m) primarily driven by the foreign exchange fluctuations.

The net surplus position of the group has decreased by €[illegible]m. This is [illegible] loans due from related parties following a settlement.

PRINCIPAL RISKS AND UNCERTAINTIES

We consider the following matters to be the principal risks and uncertainties affecting the Group.

The ability to achieve our business objectives is dependent on how well we can continue to compete with local and global competitors in new and existing markets and channels.

The ecological products industry is highly competitive. Across all our categories, we compete against a variety of global and local competitors. As a result, we experience ongoing competitive pressures in the environments in which we operate, as well as challenges in maintaining profit margins. To address these challenges, we must be able to respond successfully to competitive factors, including pricing, promotional incentives and trade terms. In addition, the emergence of new sales channels and business models may affect customer and consumer preferences as well as market dynamics. Failure to respond successfully to competitive factors and effectively compete in new sales channels could negatively impact on our results.

A significant change in customer relationships or in customer demand for Method & Ecover products could have a significant impact on our business.

The Group sells most of its products to retail customers, which include mass merchandisers, grocery stores, drug stores, distributors, e-commerce and high-frequency stores. Our success is dependent on our ability to manage successful relationships with our retail trade customers, which includes our ability to offer trade terms that are mutually acceptable and are aligned with our pricing and profitability targets. Continued consolidation among our retail customers could create significant cost and margin pressure on our business, and our business performance could suffer if we cannot reach an agreement with a key retail customer based on our trade terms and principles. Our business could also be negatively impacted if a key retail customer were to significantly reduce the inventory level of our products or experience a significant business disruption.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

If the reputation of the Method or Ecover brand was eroded significantly, it could have a material impact on our financial results.

The quality and safety of our products are critical to our business. Our financial success is directly dependent on the success of our brands. Our results could also be negatively impacted if one of our brands suffers a substantial impairment to its reputation due to a significant product recall, product-related litigation, allegations of product tampering or the distribution and sale of counterfeit products. Additionally, negative or inaccurate postings or comments on social media or networking websites about the Company or one of its brands could generate adverse publicity that could damage the reputation of our brands. If we are unable to effectively manage real or perceived issues, including concerns about safety, quality, efficacy or similar matters, sentiments toward our products could be negatively impacted and our financial results could suffer. The Group also devotes significant time and resources to programmes that are consistent with our corporate values and are designed to protect and preserve our reputation, such as social responsibility and environmental sustainability. If these programmes are not executed as planned or suffer negative publicity, the Group's reputation and financial results could be adversely impacted.

Our business results depend on our ability to successfully manage ongoing organisational change.

Our financial targets assume a consistent improved level of innovation and efficiencies in productivity to meet the challenges facing the business of the Group. If we are unable to react to these challenges whilst continuing to invest in business growth, our financial results could be adversely impacted.

Volatility in commodity & production prices could substantially impact the profitability of our business and our ability to plan going forward.

External factors can impact the price of commodities used in our products. Volatility in energy prices directly impacts our cost of production and transportation. There is also the risk of disruption to supply chains which may directly impact both our ability to produce and deliver to our customers. If the resultant increases in our cost based can't be managed and/or passed on to our customers then there will be a direct impact on the profitability of the business. Any disruption to supply chains be it sourcing for production or transportation of finished product may directly impact our customers and our brand reputation.

EXPOSURE TO PRICE, CREDIT, LIQUIDITY AND CASHFLOW RISK

The Group's activities expose it to a variety of financial risks including foreign exchange, price, credit, liquidity and cash flow risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Foreign exchange risk – The Group operates globally. The exchange risk largely concerns positions and future transactions in foreign currencies. On the basis of a risk analysis, the Group from time to time decides to hedge some of these positions. Hedge accounting is not applied.

Credit risk – Accounts receivable is the primary financial instrument that subjects the Group to credit risk. The Group generally does not require collateral from its customers and generally requires payment on normal commercial terms. The Group periodically evaluates the collectability of its accounts receivable and will review and amend credit limits as appropriate. Where necessary the Group will provide an allowance for potential credit losses based on quarterly recovery risk assessment.

Liquidity risk – The Group mitigates liquidity risk by managing the cash requirements of its operations and also through the financial support provided by SC Johnson and Group borrowings.

Price risk (cost base) – The Group has started to see the impact of rising prices on its cost base during the second half of 2022. The Group is working closely with suppliers to not only ensure continuity of supply but minimise the impact of any price increases. The Group continue to see significant impact in the first half of 2023; to mitigate the inflationary impacts, plans were put in place to pass costs to customers through targeted price increases and some have already gone through in FY2023. However, The Group have seen signs of raw material inflation decrease in the second half of FY2023.

EXPOSURE TO PRICE, CREDIT, LIQUIDITY AND CASHFLOW RISK (CONTINUED)

[illegible] The Group [illegible] changes in market interest rates. Changes in interest rates impact [illegible] deposits [illegible] and borrowings by changing their future cash flows (variable rate). Management does not currently have a formal policy of determining how much of the Group's exposure should be at fixed or variable rates. [illegible] management uses its judgement to decide whether it believes that a fixed or variable rate would be more favourable for the Group [illegible]

GOING CONCERN

Disclosures in relation to Section [illegible] and S[illegible] of [illegible] Financial Reporting Standard [illegible] are included within the Directors' Report.

This report was approved by the board on [illegible] March 20[illegible] and signed on its behalf.

[illegible] Director

The directors submit their report and the audited financial statements of the group for the period ended 31 July 2022

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be that of a holding company. The principal activity of the Group continues to be the manufacturing and distribution of cleaning products as set out on page 4

RESULTS AND DIVIDENDS ISSUED

No dividends have been paid or declared in the **year (2021 €31 7m declared and paid)** the results for the Group for the period are set out in detail on page 19

DIRECTORS

The directors of the Company who served during the period and up to the date of signing were

Jeff Bezzo
Guillermo Beade
Kristi Peterson

FUTURE DEVELOPMENTS

The directors remain committed to improving the financial performance of the group and maintaining the focus on sustainability and ethical business practice as outlined fully in the Strategic Report

SUBSEQUENT EVENTS – NON-ADJUSTING EVENTS

There are no subsequent events which would have a material impact on the financial statements at the balance sheet date

SECTION 172 (1) STATEMENT

The nature of the Group's business, being in the environmentally sustainable market, evidences the Directors aim that the Group be and remain a good 'Corporate Citizen'.

The Group's mission is to be a market leader and force for good in the supply of environmentally sensitive cleaning products and the associated innovation. The green sustainable reputations of our brands form the foundation of our relationships with key stakeholders, including consumers, customers and suppliers. The Group aims to use its position to raise awareness of the need to ensure that the planet's precious and scarce resources are used appropriately for the benefit of current and future generations. The Board considers that the business and strategic decisions which it takes now in furtherance of the Group's business objectives are of long term benefit to the global environment in reducing the need for unsustainable and harmful cleaning products.

<u>Consumer</u>

We engage we consumers through our customer carelines ('voice of the people') in the markets we operate, surveys on sustainability and focus groups on new product launches. Consumers are increasingly looking for quality products with more natural ingredients and less packaging. Concerns around waste, plastics and climate change continue to grow. In developing our products we are continually looking at ways to reduce plastic and waste. The Ecover 'laundry against landfill' campaign encouraging people to keep their clothes for longer continued to run in the period helping drive consumer awareness. We have also continued to trial refill solutions in some of our key retailers during the period with a view to reducing packaging.

<u>Customer</u>

We have direct relationships with our main customers across Europe. We partner and work with them in line with our Retail Relationship strategy with the aim of growing their sales as well as our own. This is further supported through investment in our brands, provision of market insight on the categories in which we operate and new product development. We also help guide our customers in terms of sustainability which continues to be a key area of interest and focus. We also see an increased interest across our customers in E-commerce and we continue to work with them to support and develop this channel.

<u>Suppliers</u>

We proactively engage with suppliers and supply partners that enable us to meet our sustainability goals. Suppliers are expected to support our initiatives to make our products more sustainable – packaging reduction, recyclable and recycled materials and plant based raw materials or raw materials produced from waste products. Suppliers are also encouraged to identify and implement opportunities that make their own organisation more sustainable such as by reducing their carbon footprint through better waste management or more efficient logistics. All other factors being equal, priority is given to suppliers that can demonstrate an ability to improve the sustainability of our products.

<u>Shareholders</u>

Our shareholder is SC Johnson & Son, Inc., a US company that plays an active role in strategic direction and performance of our business. This is facilitated through a divisional matrix operating structure allowing the business to make effective local decisions leveraging wider group resources.

Planet and Community

Throughout the period we continued to engage with stakeholders from across society, consumers, customers, suppliers and employees, to develop and deliver our sustainability targets. Areas of focus include plastic waste, carbon emissions and deforestation.

Through our parent company, we engaged with the Ellen MacArthur Foundation, supporting the circular economy, and reported our plastic footprint. In the UK we participated in the UK Plastics Pact with a particular focus on driving reuse behaviour [illegible] the Refill Collaborative Action Group. We commissioned extensive research on the opportunities and barriers of refilling. We published our conclusions in the Future Retail Report which was shared with the [illegible] Environment and Climate Change Committee.

We continued to amplify the voices of the winners of our FIGHT FOR THE FUTURE [illegible] fund. The three chosen projects are [illegible] and the benefits of their solutions and replicating elsewhere is the [illegible]. Activities included [illegible] of the sites and communication to our employees and consumers to raise awareness of Fight For the Future.

Throughout the period our leadership team monitored progress against our ambitious plastics targets and carbon strategy.

Employee engagement

The group takes diversity and equality seriously and all applicants are given full and fair consideration. In the event an employee is disabled or becomes disabled all efforts will be made where possible to ensure that they can continue with our organisation; this may involve tailored training and alternative roles. Policies and procedures are in place to prevent any instances of bullying and harassment to ensure that all employees have equal opportunities for recognition and promotion. The Group maintains a [illegible] programme accessible to all employees.

All employees are encouraged to work towards the business strategy and are adequately rewarded to both retain and attract talent into the organisation. The Group has a bonus programme in place that rewards employees based on the Group's achievement of the key financial targets, combined with individual employee performance. The business reserves the right to withhold bonuses where an individual is not considered to have performed at the appropriate level.

Due to the nature of the business, all employees are managed closely and work with their respective peers and seniors in small groups. We welcome, encourage and value all employee input both as part of the [illegible] formalised appraisal system and during the normal course of business.

The Group has weekly [illegible] employees' meetings and clear employee performance review structures in place to allow the detailed review, communication of and tracking of employee performance and performance improvement where required. The Group regularly organises events, both inside and outside of the workplace, to encourage peer relationship building and to enhance the open and collaborative organisational culture. We believe that the Group organisational culture allows and encourages employees to raise issues and suggestions as they arise.

Governance

Regular board meetings ensure that the Group maintains compliance with its corporate governance codes and ensures that its business is conducted inline with the ethical standards and with integrity.

STREAMLINED ENERGY AND CARBON REPORTING

Our environment

The Company [illegible] commitment to [illegible] carbon emission [illegible] and waste.

Energy Consumption and Carbon Emissions

Energy consumption at the Company's factory has been an important consideration since its construction. The building was designed [illegible] natural ventilation and reducing the need for heating. A living green roof was [illegible] in 2019 solar panels were installed on the roof [illegible] by the green roof to supply renewable energy to the site. The business continues to promote our energy saving [illegible] through the [illegible] supply of accurate energy consumption reporting.

During 2021 and 2022 the Company has continued to invest in energy saving technologies including LED lighting. Our LPG powered forklifts are being replaced with electrical models and we are exploring ways to replace natural gas with renewable sources.

The manufacturing facility [illegible] renewable electricity.

Greenhouse gas emissions

We report Scope 1 and 2 emissions as defined by the Greenhouse Gas Protocol and fuel as follows:

Scope 1 (Direct emissions): operation of facility (pro rata UK business)
Scope 2 (Indirect emissions): consumption of purchased electricity, heat and steam (pro rata UK business)
Fuel: Passenger vehicle fuel (pro rata UK business)

Greenhouse gas emissions data

Emissions data across reporting period was as follows:

Emission Type	CO2e tonnes FY 2022	CO2e tonnes FY 2021 Change of scope in FY22 so not comparable
Scope 1: Operation of facilities (UK share of business)	15[illegible]	246
Scope 2: Purchased Energy (UK share of business)	174	190
Fuel (UK share of business)	33	47
Total Emissions	358	483
Total emissions allowing for purchased renewable electricity	224	308

Greenhouse gas emissions intensity ratio

	FY2022	FY2021
Total footprint (Scope 1, Scope 2 and fuel) – CO2e tonnes	358	483
Turnover (€)	101.7M	103.8M
Intensity Ratio (CO2e tonnes/€1m)	3.5	4.7
Intensity Ratio (CO2e tonnes/€1m) allowing for purchased renewable electricity	2.2	3.0

FY22 and FY21 are not comparable as FY21 reported the full GHG emissions for Ecover brand only and excluded Method. In FY22 Method brand was acquired by the group from March 202[illegible].

Emissions [illegible] the UK business [illegible] **40 CO2e tonnes** in FY22.

Scope and Methodology:

Our methodology has been based on the principles of the [illegible] GHG Greenhouse Gas Protocol and *Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance March 2019*.

We have reported on all the [illegible] emission sources [illegible] under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Sites included are the factory and office in Mons, Belgium and office in the UK.

The period of our reporting is from [illegible] 2021 to [illegible] 2022 [illegible] companies UK and European [illegible] and Method operations.

This includes emissions under Scope 1 and 2 and fuel usage. The report excludes Scope 3 emissions except for fuel emissions specified by SECR. Conversion factors for UK electricity, gas and fuel are those published by DEFRA 2021 and 2022. European [illegible] emission factors are derived from the European Environment Agency data.

Waste

In the 2022 calendar year, the company had a diversion rate of manufacturing waste from landfill and incineration of over 95% and [illegible] on its TRUE Zero Waste certification at the platinum level based on maintaining its diversion rates and the implementation of a holistic approach to waste management. As part of the certification process, several new practices were put into place. For example the factory moved relevant raw materials to bulk storage and reusable drums to avoid excessive packaging use and implemented a composting system to ensure food and garden waste is converted to usable compost.

Gas, Electricity and Water

The UK business consumed the following:

	2022	2021
Natural gas, m3	67,203	138,653
Electricity, kWh	989,102	1,115,769
Water, m3	25,681	45,054

RESEARCH AND DEVELOPMENT ACTIVITIES

The research and development performed by the Group [illegible] development of packaging and [illegible]. The product [illegible] development [illegible] applied research. The total research and development expenditure [illegible] in the 20[illegible] consolidated statement of comprehensive income was € [illegible] (20[illegible]: €2.[illegible]m).

GOING CONCERN

The Group and company financial statements have been prepared on a going concern basis. This takes into account the challenging [illegible] environment [illegible] the [illegible] pandemic and the war in Ukraine.

The environment that the business is currently operating in has [illegible] significant increases in cost base, particularly [illegible] materials and packaging used in our products. This impacted the second half of the financial year ended 31st [illegible] 2022 and has also continued into first half of the current financial year ending 30th June 2023. At the same time [illegible] of the categories in which the business operates are still [illegible] adjusting down to [illegible] the high peaks seen during the Covid pandemic lockdowns.

In order to offset the impact of these [illegible] inflation on our cost base, increases in the price of products have been [illegible] negotiated in both the year ended 31 [illegible] 2022 and year ending 30th June 2023. This has been done in a targeted way across the [illegible] to the [illegible] by our consumers.

There will remain a time lag between these price increases and the inflation seen on the cost of our products due to the length of the negotiation process into the next financial year and the Directors expect to see softening of margins through the year ending 30th June 2024. The directors are confident that with the increases in pricing [illegible] and planned [illegible] new product launches combined with productivity and efficiency savings will lead to a [illegible] top line growth and improved margins from financial year ending June 2024.

In assessing Going Concern the Directors have considered financial forecasts for the four financial years to 2027. The Directors have a reasonable expectation that the business can meet these forward forecasts.

Notwithstanding this, there is an intercompany loan repayable on demand. S. C. Johnson & Son, Inc., the ultimate controlling party, has provided a letter of support guaranteeing the provision of funding for a period of 12 months from the date of approval of the balance sheet. All directors of People Against Dirty Holdings Limited are officers of S. C. Johnson & Son, Inc. playing an active [illegible] in the long term financial planning for the group. This gives the directors of People Against Dirty Holdings Limited confidence that S. C. Johnson & Son, Inc. are able to fulfil that guarantee should it be required.

On the basis of all of this, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence during the 12 month period from the date of approval of the balance sheet (the going concern period).

DIRECTORS' INDEMNITY INSURANCE

The Group and Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors and/or officers by third parties. In accordance with section 234 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, as far as is permitted by law. Both the insurance and indemnities applied throughout the year and continue through to the date of this Directors' Report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware, and
- that the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

INDEPENDENT AUDITOR

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board on 28 March [illegible] and signed on its behalf by:

Guillermo Beade - Director

DIRECTORS' RESPONSIBILITIES STATEMENTS

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 Group and Company financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 Group and Company and of the profit and loss of the Group 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of People Against Dirty Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the period ended 1 July 2022, which comprise of the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Balance Sheet, Consolidated and Parent Company Statement of Changes in Equity, Statement of Consolidated Cash flows and the related notes 1 to 27 of the financial statements and notes 1 to 13 of the parent company 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 01 July 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 group 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 group and parent company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, 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 group's and the parent 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 group or the parent 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 these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Company and determined that the most significant are (Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.
- We understood how People Against Dirty Holdings Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Group and Company maintains and communicates its policies and procedures in these areas. Our audit procedures were designed to either corroborate or provide contrary evidence, the results of which were followed up appropriately.
- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We considered the programmes and controls that the Group and Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where this risk was higher, we performed incremental audit procedures to address each identified fraud risk. These procedures included:
- For a sample of sales related accruals, inspecting external evidence to substantiate the promotional rate and term, vouching against the management prepared computation of the promotional accrual and performing recalculations. This was supplemented with additional procedures over the reconciliation of the rebate promotional accruals balance, an assessment of the age profiling, a retrospective look back on prior period promotional events, the deployment of our revenue analytical program, detailed gross margin and trend analyses and an extended search for unrecorded liabilities. All such procedures were designed to respond to the identified risk over the completeness and improper measurement of judgemental promotional accruals.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify any noncompliance with laws and regulations, assessment of financial statement disclosures to ensure compliance with relevant reporting frameworks and enquiries of management and those charged with governance.

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

Use of our 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.

Sam Newall (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton
Date:
28 March 2023

	Note	01 July 2022 Total	02 July 2021 Total
		€'m	€'m
Turnover	3	101.4	103.8
Cost of sales		(72.4)	(72.6)
Gross Profit		29.0	31.2
Selling and distribution expenses		(12.1)	(12.4)
Administrative expenses		(17.7)	(13.8)
Operating (loss)/profit	4	(0.8)	5.0
Interest receivable and similar income	8		2.1
Interest payable and similar charges		(1.0)	(0.7)
Net interest (payable)/receivable and similar charges		(1.0)	1.4
(Loss)/profit on ordinary activities before taxation		(1.8)	6.4
Taxation on (loss)/profit on ordinary activities	10	(4.0)	0.9
(Loss)/profit for the period		(5.8)	7.3
Other comprehensive (loss)			
Currency translation differences		(0.1)	(2.8)
Total comprehensive (loss)/ income for the period		(5.9)	4.5

All activities of the group are from continuing activities. Total comprehensive income for the year is all attributable to the owners of the parent company.

	Notes	01 July 2022 €'m	02 July 2021 €'m
Non-current assets			
Intangible assets	11	[illegible]	14.4
Tangible assets	12	12.4	[illegible]
Debtors: Amounts falling due after more than one year	14	[illegible]	[illegible]
		26.6	**30.5**
Current Assets			
Stocks	[illegible]	[illegible]	16.1
Debtors: amounts falling due within one year	[illegible]	[illegible]	18.6
Cash at bank and in hand		[illegible]	15.1
		69.8	**60.0**
Creditors: amounts falling due within one year	15	**(51.3)**	**(39.5)**
Net current assets		**18.5**	**20.5**
Total Assets less current liabilities		**45.1**	**51.0**
Provisions for liabilities	16	(0.4)	(0.4)
NET ASSETS		**44.7**	**50.6**
Capital and reserves			
Called up share capital	19		
Merger reserve		[illegible]	[illegible]
Retained earnings		37.2	[illegible]
Equity attributable to owners of the parent		**44.7**	**50.6**

Approved by the board of directors and authorised for issue by

Guillermo Boace – Director

28 March 202[illegible]

The notes on pages 23 to 45 form an integral part of these financial statements

	Called up Share capital	Merger Reserve	Retained Earnings	Total Equity
	€'m	€'m	€'m	€'m
Balance as at 04 July 2020	-	7.5	70.3	77.8
Profit for the period			[illegible]	7.3
Other Comprehensive (loss) for the period			(2.8)	(2.8)
Total comprehensive (loss) for the period			4.5	4.5
Dividends paid to shareholders			(31.7)	(31.7)
Balance as at 02 July 2021	-	7.5	43.1	50.6

	Called up Share capital	Merger Reserve	Retained Earnings	Total Equity
	€'m	€'m	€'m	€'m
Balance as at 02 July 2021	-	7.5	43.1	50.6
(Loss) for the period			(5.8)	(5.8)
Other Comprehensive (loss) for the period			(0.1)	(0.1)
Total comprehensive (loss) for the period	-	-	(5.9)	(5.9)
Dividends paid to shareholders				
Balance as at 01 July 2022	-	7.5	37.2	44.7

	Notes	01 July 2022 €'m	02 July 2021 €'m
Cash generated from operating activities	20	(2.5)	39.3
Taxation paid		(1.0)	(0.7)
Net cash (utilised)/generated from operating activities		(3.5)	38.6
Cash from investing activities			
Purchase of tangible assets	12	[illegible]	(2.9)
Disposal of tangible assets	12	0.2	0.1
Net cash (utilised) in investing activities		(2.9)	(2.8)
Cash from financing activities			
Net interest paid	9	(1.0)	(0.7)
Equity dividends	18		(31.7)
Net cash (utilised) in financing activities		(1.0)	(32.4)
Net (decrease)/increase in cash and cash equivalents		(7.4)	3.4
Cash and cash equivalents at the beginning of the period		15.1	11.4
Exchange gain on cash and cash equivalents		[illegible]	0.3
Cash and cash equivalents at the end of the period		7.7	15.1

1. ACCOUNTING POLICIES

1.1. GENERAL INFORMATION

People Against Dirty Holdings Limited ('PADH') is a private company limited by shares and is incorporated and domiciled in England (Company Number [illegible]). The address of its registered office is The Maltings, [illegible] Farm, [illegible] Road, [illegible], Surrey, [illegible].

1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The policies have been consistently applied.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note [illegible]).

The consolidated financial statements are presented in Euro (the ") being the presentational currency of the Group, and all values are rounded to the nearest euro except where indicated. The parent company has taken advantage of the section 408 exemption not to present its individual profit and loss account as it has prepared group accounts.

The group has taken advantage of the exemption afforded by FRS 102 33.1A not to disclose transactions between wholly owned members of the group.

The results of [illegible] UK Ltd (UK Subsidiaries) are included in these consolidated financial statements. [illegible] UK Ltd have prepared their individual annual financial statements using exemptions according to Section 479a of the UK Companies Act and therefore the individual financial statements of these entities were entitled to exemption from audit.

Going Concern

The Group and company financial statements have been prepared on a going concern basis. This takes into account the challenging macroeconomic environment related to the Covid pandemic and the war in Ukraine.

The environment that the business is currently operating in has resulted in significant increases in cost base, particularly in relation to material and packaging used in our products. This impacted the second half of the financial year ended 1st July 2022 and has also continued into first half of the current financial year ending 30th June 2023. At the same time, a number of the categories in which the business operates are still adjusting down following the high peaks seen during the Covid pandemic lockdown.

In order to offset the impacts of exceptional inflationary cost base increases in the price of products have been successfully negotiated in both the year ended 1st July 2022 and year ending 30th June 2023. This has been done in a targeted way across the business being sensitive to the strain being faced by our consumers.

There will remain a time lag between these price increases and the inflation seen on the cost of our products due to the length of the negotiation process, into the next financial year and the Directors expect further softening of margins through the year ending 30th June 2023. The directors are confident that with the increases in pricing (delivered and planned) plus new product launches combined with productivity and efficiency savings will lead to a recovery in top line growth and improved margins from financial year ending June 2024.

1. ACCOUNTING POLICIES (CONTINUED)

In assessing going concern, the Directors have considered financial forecasts for the four financial years to [illegible]. The directors have a reasonable expectation that the business can meet those forward forecasts. Notwithstanding this, there is an intercompany loan repayable on demand. S. C. Johnson & Son, Inc., the ultimate controlling party, has provided a letter of support guaranteeing the provision of funding for a period of 12 months from the date of approval of the balance sheet. All directors of People Against Dirty Holdings Limited are officers of S. C. Johnson & Son, Inc., playing an active role in the long term financial planning for the group. This gives the directors of People Against Dirty Holdings Limited confidence that S. C. Johnson & Son, Inc. are able to fulfil that guarantee should it be required.

On the basis of all of this, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence during the 12 month period from the date of approval of the balance sheet (the going concern period).

1.3. BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Group and its subsidiaries ("the Group"). These financial statements cover the period starting July 1, 2021 through July 1, 2022. The consolidation of the subsidiaries acquired as part of the significant group restructure on December 30, 2015 was prepared under the principles of predecessor accounting, whereby an acquirer is not required to be identified, and all entities are included at their pre-combination carrying amounts. This accounting treatment led to no goodwill and differences on consolidation between consideration and fair value of the underlying net assets, and the difference was included within equity as a merger reserve.

Subsidiaries are those entities in which the Group has power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or convertible are considered when assessing whether the Group controls another entity. Special purpose entities whose activities are conducted on behalf of the Group, where the special purpose entity is exposed to limited risks and the Group has the right to obtain the majority of the benefits of the entity, are deemed to be under the control of the Group and are consolidated. The results of subsidiaries acquired during the period are included in the consolidated statement of comprehensive income from the date on which control is transferred to the Group and subsidiaries continue to be consolidated until the date that such control ceases. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the accounting policies adopted by the Group. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

The Group's share of post – acquisition profit or loss is recognised in the statement of comprehensive income with a corresponding adjustment to the carrying value amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and it's carrying value and recognises the amount adjacent to "share of profit or loss of investment" in the consolidated statement of comprehensive income. Intercompany transactions and balances (including intercompany profits) are eliminated on consolidation. Adjustments are made to eliminate the profit and loss arising on transactions with associates to the extent of the Group's interest in the entity.

The financial statements of People Against Dirty Holdings Limited were authorised for issue by the Board of Directors on 28/03/20[illegible].

1. ACCOUNTING POLICIES (CONTINUED)

1.4 TURNOVER

Sales of goods

Revenue from the supply of goods is recognised when the significant risks and rewards relating to the title to the goods are transferred to the customer, which is usually on the delivery of goods. Revenue is measured at the fair value of the consideration received, stated net of discounts, rebates, trade promotions, refunds, value added tax and other sales taxes or duty.

The Group routinely commits to one time or ongoing trade promotion and coupon programs with customers that require the Group to estimate and accrue the ultimate costs of such programs. Such programs include introductory marketing funds (slotting fees), cooperative marketing programs and shelf price reductions on the Group's products, advantageous end of aisle or in store displays, graphics, and other trade promotion activities conducted by the customer. The Group accrues a liability at the end of each period for the estimated expenses incurred, but unpaid, for these programs.

Royalties

Royalty income arising on sales of Ecover products and royalty expenses on sales of Method products in a licensed territory across the world. Royalties shall be recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

Revenue is recognised when the Group's right to receive payment is established

1.5. INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks, customer relationships and licenses	5 – [illegible] years
Software	3 – 5 years

Amortisation is calculated on a straight line basis over the period of its estimated useful life.

Amortisation is charged to administrative expenses in the consolidated statement of comprehensive income.

If there are indications that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period, the estimate shall be reviewed and, if current expectations differ, the residual value and amortisation method over useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

1. ACCOUNTING POLICIES (CONTINUED)

1.5 INTANGIBLE ASSETS (CONTINUED)

The intangible assets are reviewed for impairment at each reporting date. If any indicators of impairment exist, the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost to sell and value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss, unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease. An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

1.6 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Assets under construction are not depreciated until they are brought into use. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives range as follows:

Buildings	15 – 50 years
Plant, equipment and other fixed assets	2 – 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

The tangible fixed assets are reviewed for impairment at each reporting period. If any indicators of impairment exist, the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost to sell and value in use. If the recoverable **amount is less than it's carrying amount, the carrying amount of the asset is impaired and it is reduced** to its recoverable amount through an impairment in profit and loss. An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

1.7 STOCKS

Raw materials, finished goods

Stocks are carried at the lower of cost (principally by the FIFO method, reflecting material, labour and production overhead) and net realisable value. In valuing stocks, appropriate allowance is made for obsolete or slow moving goods. Labour and overhead costs are based on standard hourly rates and standard hours per product which approximate actuals.

Realisable value represents the estimated selling price less directly attributable selling expenses, net of an allowance for obsolescence of stocks where applicable. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

1. ACCOUNTING POLICIES (CONTINUED)

1.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments with [illegible] maturity [illegible] or less [illegible].

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.9 CREDITORS

Short term creditors with no stated interest rate and payable within one year are recorded at the transaction price. Other financial liabilities, including bank and related party loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method.

1.10 EMPLOYEE BENEFITS

Holiday pay accrual
The Group accrues for holiday benefits as employees render service throughout the period. The holiday accrual is based on [illegible] holidays taken.

Defined contribution plan
The Group operates a number of defined contribution pension plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are recognised within accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Short term incentive plan (Bonus scheme)
The Group operates a discretionary bonus for all employees in the business. This is an annual program where the bonuses are based on two elements: personal performance review and operating profit versus the budget.

Long term incentive plan
This is an annual program and has a 3 year vesting period. Dependent on the delivery of key financial targets for the Lifestyle Business Unit globally over the 3 year period the first grant payment date is expected to be October 2022. The amounts are accrued as part of the employee benefit expense. The amount accrued reflects the amount the Group expects to pay for the period of service up to the balance sheet date. At the period end date there are three existing grants which were issued in FY20, FY21 and FY22 respectively.

1 ACCOUNTING POLICIES (CONTINUED)

1.11 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions, with the exception of interest rate derivatives, that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, cash at bank balances, loans from banks and other third parties, loans to related parties. The Group also utilises forward contracts in order to manage foreign currency exchange rate movements.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment is recognised in the consolidated statement of comprehensive income.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial liabilities including trade and other payables and interest bearing loans and borrowings are initially recognised at transaction price, unless the arrangement constitutes a **financing transaction, where the liability is measured at the present value of the future payments** discounted at a market rate of interest. Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in finance expense in the income statement.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the terms of a short term instrument constitutes a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Derivative financial instruments are recognised initially at their fair value and re-measured at fair value at each period end. The gain or loss on re-measurement to fair value is recognised in the consolidated statement of comprehensive income. The Group has not applied hedge accounting.

1. ACCOUNTING POLICIES (CONTINUED)

1.12. DEBT ISSUE COSTS AND INTEREST EXPENSES

Interest expense is recognised in the consolidated statement of comprehensive income using the effective interest method. [illegible] in the consolidated statement of comprehensive income using the effective interest method.

The Group capitalises costs directly related to the issue of debt and amortises these costs over the term of the related financial instrument. Unamortised financial costs are presented as an offset to the underlying loan balance. Amortisation expense is recognised as part of net interest expense.

1.13. PROVISIONS

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation, it is probable that an outflow of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are offset against the provision carried in the balance sheet.

1.14. RELATED PARTY TRANSACTIONS

The Group has entered transactions with related parties which are not wholly owned within the same group. In accordance with Section 33 of FRS 102, the Company does not disclose transactions with members of the same group that are wholly owned.

1.15. LEASES

Leases are accounted for as operating leases where the risks and rewards of ownership are retained by the lessor and the rental charges are charged to administrative expenses in the consolidated statement of comprehensive income on a straight line basis over the life of the lease. Lease incentives are recognised over the lease term on a straight line basis.

1.16. FOREIGN CURRENCY TRANSLATION

The Group's presentational currency is Euro

Foreign currency transactions in each entity are translated into their functional currency using the spot exchange rates at the dates of the transactions. At each period end monetary items

1. ACCOUNTING POLICIES (CONTINUED)

1.16 FOREIGN CURRENCY TRANSLATION (CONTINUED)

denominated in foreign currency are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within interest receivable or payable.

On consolidation, the results of the operations are translated from their functional currency into Euros, the presentational currency of the Group, at the average rate for the period. All assets and liabilities of overseas operations are translated at the rate ruling at the period end. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at average rates are recognised in other comprehensive income.

1.17. SHARE CAPITAL AND RESERVES

Called up share capital – represents the nominal value of shares that have been issued.

Merger reserve – this arose on the adoption of predecessor accounting and represents the difference between the consideration and the book value of the underlying net assets acquired when PAD B.V. was merged into the Group.

Retained earnings – represents cumulative profit and losses, net of dividends paid and other adjustments.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.18. RESEARCH AND DEVELOPMENT

The Group expenses research and development expenditures as incurred. Research and development costs primarily include salaries and line trial costs.

1.19. CURRENT AND DEFERRED TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

1. ACCOUNTING POLICIES (CONTINUED)

1.20 CURRENT AND DEFERRED TAXATION (CONTINUED)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is measured using the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current and deferred tax assets and liabilities are not discounted.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Key source of estimation uncertainty

The following are the Group's key sources of estimation uncertainty

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

2.1 USEFUL ECONOMIC LIVES OF TANGIBLE ASSETS AND INTANGIBLE ASSETS

The annual depreciation/amortisation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 and 12 for the carrying amount of the intangible and tangible assets respectively. The accounting policy and defined useful economic life for both intangible and tangible class of assets is contained within note 1.5 and 1.6 respectively.

2.2 STOCK PROVISIONING

It is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 13 for the net carrying amount of the stock and associated provision.

2.3 IMPAIRMENT OF DEBTORS

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

2.4 TRADE PROMOTIONS

Accruals for trade promotions are based on estimates recorded primarily at the time a product is sold to the customer based on expected levels of performance. Settlement of these liabilities typically occurs in subsequent years primarily through an off-invoice allowance at the time of sale or through an authorised process for deductions taken by a customer from amounts otherwise due to the Group. The recognition of these costs therefore requires management judgment regarding the volume of trade promotions that will be redeemed by customers. These estimates are made using various techniques including historical data on the performance of similar promotional programs. Differences between estimated expense and actual redemptions are normally insignificant and recognised as a change in management estimate in a subsequent period.

2.5 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding **sales transactions in an arm's length** transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next two years and do not include restructuring activities that the **Group is not yet committed to or significant future investments that will enhance the asset's** performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. See note 11 and note 12 for the net carrying amount of the intangible and tangible assets respectively.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

2.6 TAXATION

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.
Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 1[illegible].

3. ANALYSIS OF TURNOVER

	2022	2021
	€'m	€'m
Sale of goods	101.4	103.8
Analysis of turnover by region		
United Kingdom	[illegible]	35.4
Rest of Europe	[illegible]	61.5
United States of America	[illegible]	[illegible]
Rest of the world	[illegible]	6.3
	101.4	**103.8**

The group earned royalty income which has been included within sale of goods and represents royalty income associated with the sale of Ecover branded products outside of Europe of EUR €0.4m (2021: €[illegible]4m)

4. OPERATING (LOSS)/ PROFIT

This is stated after charging:	2022	2021
	€'m	€'m
Depreciation of tangible assets	2.9	2.6
Amortisation of intangible assets	[illegible]	0.5
Operating lease rentals:		
Land and buildings	[illegible]	0.7
Plant & machinery	0.3	0.4
Loss on disposal of assets		[illegible]
Research and development costs	[illegible]	2.1
Defined contribution payments	0.4	[illegible]
Foreign exchange (gains)/losses		2.1

4. OPERATING (LOSS)/PROFIT (CONTINUED)

Fees payable to the company's auditors for the audit of the parent company and the Group's consolidated financial statements were €[illegible] (2021: €1[illegible]) and for non-audit services were [illegible] (2021: nil). Fees payable to the company's auditor for the audit of the company's subsidiaries in respect of audit services were €[illegible] (2021: €125k) and for non-audit services were nil (2021: nil).

5. EMPLOYEES

Employee costs (including directors) were as follows:

	2022	2021
	€'m	€'m
Wages and salaries	[illegible]	16.4
Social security costs	[illegible]	2.0
Pension costs	0.4	0.5
Other (including LTIP/LTIP plan expenses)	[illegible]	2.1
	17.2	**21.0**

The pension cost represents contributions payable by the group to the defined contribution plan and amounted to €0.4m (2021: €0.5m). No contributions were payable at the period end.

The average monthly number of employees (including the directors) during the period was as follows:

	2022	2021
	No.	No.
Production, selling and distribution	[illegible]	[illegible]
Administrative	[illegible]	[illegible]
	252	**263**

6. KEY MANAGEMENT REMUNERATION

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below.

	2022	2021
	€'m	€'m
Salaries and short term benefits	[illegible]	[illegible]
LTIP	[illegible]	[illegible]
Post employment benefits	[illegible]	[illegible]
	2.6	5.5

7. DIRECTORS REMUNERATION

The directors' emoluments were as follows

	2022	2021
	€'000	€'000
Aggregate remuneration in respect of qualifying services		
Defined contribution pension scheme contribution		
	-	-

The directors of the company are also directors or officers of other SC Johnson group companies, and their emoluments have been borne by those companies. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the period ended [illegible] July 2022.

In respect of the highest paid director

	2022	2021
	€'000	€'000
Aggregate remuneration in respect of qualifying services	-	
	-	-

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	€'m	€'m
Foreign exchange gain		2.1
	-	2.1

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	€'m	€'m
Interest expense due to related parties	[illegible]	
Bank interest payable	[illegible]	0.7
	1.0	0.7

10. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2022 €'m	2021 €'m
Profit and loss account:		
Current tax charge:		
UK Corporation tax – current period		(1.0)
Foreign tax on profits for the year – prior period adjustment		
Foreign tax on profits – current period	0.9	0.2
Total current tax (credit)/charge	**0.9**	**(0.8)**
Deferred tax:		
Origination and reversal of timing differences	3.4	(0.1)
Prior period adjustments	(0.3)	-
Total deferred tax charge/(credit)	**3.1**	**(0.1)**
Total tax charge/(credit)	**4.0**	**(0.9)**

	2022 €'m	2021 €'m
Reconciliation of tax charge		
Profit on ordinary activities before tax	(1.8)	6.4
Profit multiplied by standard rate of tax in the UK	**(0.3)**	**1.2**
Effects of:		
Expenses not deductible for tax purposes	0.6	
Non taxable income		(0.1)
Prior period adjustments	(0.3)	
Group relief claimed		(1.6)
Impact of overseas corporate tax rates	0.4	0.4
Difference in current and deferred tax rates	1.0	(0.1)
Movements in unrecognised deferred tax	2.6	(0.7)
	4.0	**(0.9)**

The 25% corporation tax rate due to come into effect on 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax has therefore been calculated using the 25% rate.

Unrecognised deferred tax assets relating to trading losses carried forward amount to **€10.2m (2021: €6.3m)** calculated in respect of a UK trading loss carried forward **of €40.8m (2021: €25.2m)** at the UK deferred tax rate of 25% (2021: 25%). The deferred tax assets will unwind against the profits of the individual entities across Europe (guaranteed via the Group's transfer pricing policy) with the preference being to utilise brought forward net operating losses before entertaining any form of group relief.

11. INTANGIBLE FIXED ASSETS

	Software	Trademarks, customer relationships and licences	Total
	€'m	**€'m**	**€'m**
Cost			
At 02 July 2021	[illegible]	[illegible]	[illegible]
Additions	[illegible]		[illegible]
Disposals	[illegible]		[illegible]
Foreign exchange			
At 01 July 2022	**3.2**	**18.2**	**21.4**
Amortisation			
At 02 July 2021	[illegible]	[illegible]	[illegible]
Charge for the year	[illegible]	[illegible]	[illegible]
Disposals	[illegible]		[illegible]
Impairment			
Foreign exchange			
At 01 July 2022	**3.2**	**4.6**	**7.8**
Net book value			
At 02 July 2021		14.4	14.4
At 01 July 2022	**-**	**13.6**	**13.6**

12. TANGIBLE FIXED ASSETS

	Land and Buildings	Asset Under Construction	Plant, equipment and other fixed assets	Total
	€'m		€'m	€'m
Cost				
At 02 July 2021	[illegible]	[illegible]	[illegible]	[illegible]
Additions	[illegible]	[illegible]	[illegible]	[illegible]
Transfers		(1.4)	[illegible]	
Disposals			[illegible]	[illegible]
At 01 July 2022	**8.3**	**2.0**	**31.4**	**41.6**
Depreciation				
At 02 July 2021	[illegible]		[illegible]	[illegible]
Charge for the period			[illegible]	2.8
Disposals	[illegible]		[illegible]	(0.3)
At 01 July 2022	**6.1**	**-**	**23.2**	**29.2**
Net book value				
At 02 July 2021	[illegible]	[illegible]	[illegible]	12.4
At 01 July 2022	**2.3**	**2.0**	**8.2**	**12.4**

The carrying value of land and buildings comprises of land totalling €[illegible]m (2021: €[illegible]m). No depreciation is charged on land.

13. STOCKS

	2022	2021
	€'m	€'m
Raw materials and consumables	[illegible]	[illegible]
Work in progress	[illegible]	[illegible]
Finished goods and goods for resale	15.7	[illegible]
Provision for impairment	[illegible]	[illegible]
	21.8	**16.1**

The difference between purchase price or production cost of stock and their replacement cost is not material. Stock recognised as an expense in the period was €[illegible]m (2021: €[illegible]m). Impairment losses for the period were €[illegible]k (2021: €[illegible]k) and impairment losses reversed from the income during the period **were €nil** (2021: €nil). Impairment and impairment reversal are recognised in the cost of sales line within the income statement. Impairment of stock was due to old stock becoming obsolete.

14. DEBTORS

	2022	2021
	€'m	€'m
Due after more than one year		
Deferred tax (see note 17)	0.6	3.7
	0.6	**3.7**

	2022	2021
	€'m	€'m
Due within one year		
Trade debtors	26.0	17.[illegible]
Loans due from related parties	[illegible]	
Trade receivables from related parties	[illegible]	6.8
Other: corporation tax receivable	3.6	1.6
Other debtors	[illegible]	0.1
Prepayments and accrued income	1.4	0.7
	40.3	**28.8**

Trade debtors are carried net of **a provision for bad debts of €**341k (2021: **€**31k). The related expense is included in administrative expenses in the consolidated statement of comprehensive income. The impairment arose based on analysis of collectability of outstanding receivables from customers.

Deferred tax assets relate to the partial recognition of deferred tax on taxable losses carried forward in accordance with the accounting policies.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	€'m	€'m
Amounts falling due within one year		
Trade creditors	[illegible]	[illegible]
Amounts owed to related parties		[illegible]
Other amounts owed to related parties	24.1	[illegible]
Other taxes including social security	[illegible]	1.3
Corporation tax payable		1.6
Accruals and deferred income	[illegible]	[illegible]
	51.3	**39.5**

Included in amounts owed to fellow group undertakings are €nil (2021 – €[illegible]m) unsecured loan notes repayable on demand with an interest rate of nil% (2021 – [illegible]%).

16. PROVISIONS FOR LIABILITIES

There is a dilapidation accrual for the Group as at 01 July 2022 of €[illegible]m (2021: €[illegible]m).

17. DEFERRED TAXATION

	2022	2021
	€'m	€'m
Deferred tax asset:		
Opening deferred tax asset	[illegible]	[illegible]
Origination and reversal of timing differences	(3.4)	[illegible]
Prior period adjustments	[illegible]	[illegible]
Closing deferred tax asset	**0.6**	**3.7**
Comprising:		
Fixed assets	[illegible]	
Tax losses	[illegible]	[illegible]
Total	**0.6**	**3.7**

The 25% corporation tax rate due to come into effect from 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax has therefore been calculated using the 25% rate.

Unrecognised deferred tax assets relating to trading losses carried forward amount to €[illegible] (2021: **€6**.[illegible]m) **calculated in respect of a UK trading loss carried forward of €**40.8m (2021: €25.[illegible]m) at the UK deferred tax rate of 25% (2021: 25%). The deferred tax assets will unwind against the profits of the individual entities across Europe (as allocated via the Groups transfer pricing policy), with the preference being to utilise brought forward operating losses before entering any form of group relief.

18. DIVIDENDS AND APPROPRIATIONS

[illegible] €[illegible]

19. SHARE CAPITAL

	2022	2021
	€'m	€'m
Allotted, called up and fully paid [illegible]		

20. NOTES TO THE CASH FLOW STATEMENT

	2022	2021
	€'m	€'m
(Loss)/Profit for the financial period:	[illegible]	7.3
Adjustments for		
Tax on (loss) Profit on ordinary activities	[illegible]	[illegible]
Net interest (income) expense	[illegible]	1.4
Operating (loss)/profit	**(0.9)**	**5.0**
Amortisation of intangible assets	0.8	0.8
Depreciation of tangible assets	[illegible]	[illegible]
(Increase) in stocks	[illegible]	[illegible]
(Increase)/decrease in debtors	[illegible]	28.9
Increase in payables	[illegible]	2.8
Increase in provisions	-	[illegible]
Cash (utilised)/generated from operating activities	**(2.5)**	**39.3**

21. NET SURPLUS/(DEBT)

The group's analysis of net debt is as follows

	At 01 July 2022	At 02 July 2021
	€'m	€'m
Cash at bank and in hand	[illegible]	15.1
Cash and cash equivalents	**7.7**	**15.1**
Loans owed (to) from related parties		(6.4)
Total debt receivable	**-**	**6.4**
Net surplus	**7.7**	**8.7**

22. COMMITMENTS UNDER OPFRATING LEASES

At [illegible] and [illegible] respectively the Group had commitments under non-cancellable operating leases as follows

	2022	2021
	€'m	€'m
Not later than one year		
Land and Buildings	[illegible]	[illegible]
Plant and machinery	[illegible]	[illegible]
Later than one year and not later than five years		
Land and Buildings	[illegible]	[illegible]
Plant and machinery	[illegible]	0.4
	1.4	**3.1**

At [illegible] the Group had capital commitments of €[illegible] (2021: €[illegible]). The capital commitments are largely attributed to the development of a new [illegible]

23. RELATED PARTY DISCLOSURES

At [illegible] the Group [illegible] related party transactions [illegible] related parties as follows:

	2022			2021		
	Debtor/ (Creditor)	Interest payable/ (receivable)	Purchases/ (turnover)	Debtor/ (Creditor)	Interest Payable/ (receivable)	Purchases/ (turnover)
	€ m	€ m	€ m	€ m	€ m	€ m
Entities with control, joint control or significant influence over the entity						
SCJ NL Holdings B.V.				[illegible]		
Other related parties						
S.C. Johnson & Son Sdn Bhd (Malaysia)	[illegible]		[illegible]	[illegible]		[illegible]
SC Johnson Limited	[illegible]		[illegible]	[illegible]		[illegible]
SC [illegible] Limited			[illegible]	[illegible]		[illegible]
SCJ [illegible] Limited				[illegible]		
S.C. Johnson & Son Inc	[illegible]	-	[illegible]		-	[illegible]
SC Johnson Europe Sarl	[illegible]		[illegible]	[illegible]		[illegible]
SCJ Shanghai			[illegible]			
SCJ Korea	[illegible]					
DEB IE Limited	[illegible]			[illegible]		
Method Products PBC	[illegible]		[illegible]	[illegible]		[illegible]
Method Products UK Ltd	-		[illegible]	[illegible]		[illegible]
Total	**(0.2)**	**-**	**(13.0)**	**(3.2)**	**-**	**(36.4)**

SC Johnson & Son Inc is the ultimate parent of the Group effective [illegible] January 20[illegible]. Johnson Netherlands Cooperatief UA is the Group's immediate parent. SCJ NL Holdings B.V. is the immediate parent of the Johnson Netherlands Cooperatief UA. S.C. Johnson & Son Sdn Bhd, Method Products PBC and Method Products Limited are subsidiaries of the Group's ultimate parent.

Net interest income on loans with entities under common control for the period ended 01 July 2022 is €[illegible]m (2021: €0.[illegible]m). Other intercompany balances are short term in nature.

During the period ended 01 July 2022 Method Products PBC charged the Group €[illegible]m (2021: €[illegible]m) for management fees and net royalties of €2.0m (2021: €[illegible]m).

During the period ended 01 July 2022 the group received royalty income from S.C. Johnson & Son Inc of €0.4m (2021: €1.3m).

During the period ending 01 July 2022, the Group had trade turnover of €[illegible]m (2021: €24.[illegible]m) with Method Product UK Ltd and charged management fees of €4.7m (2021: €[illegible]m).

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made on an arm's length basis. Outstanding balances with entities other than subsidiaries are unsecured, interest free and cash settlement is expected within 60 days of the invoice. Terms and conditions for transactions with subsidiaries are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the period ended 01 July 2022, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2021: [illegible]).

24 FINANCIAL INSTRUMENTS

	2022	2021
	€'m	€'m
Financial assets measured at amortised cost		
Cash at bank and in hand	[illegible]	[illegible]
Amounts owed by related parties	[illegible]	
Trade receivables	[illegible]	[illegible]
Amounts due from related parties	[illegible]	[illegible]
Other debtors	[illegible]	[illegible]
	42.8	**41.7**
Financial liabilities measured at amortised cost		
Trade creditors	[illegible]	10.4
Amounts owed to related parties	24.1	[illegible]
Accruals		[illegible]
Other creditors		2.1
	35.7	**39.5**

At 01 July 2022 the notional principal amount of outstanding foreign exchange forward contracts totalled €24,550,000 (2021: €23,500,000) which all expire by 15th February 2024. At 01 July 2022 the foreign **exchange forward contracts had an aggregate fair value receivable of €**[illegible] (2021: receivable of **€407,490**) and are included in debtors (creditors) due within one year respectively. A fair value gain **of €**[illegible] (2021: **gain of €407,490**) has been recognised in the consolidated statement of comprehensive income as an increase of foreign exchange gain. Realised loss **of €**[illegible] (2021: **gain of €1,306,144**) on settlement of contracts entered into and settled during the period ended 01 July 2022 have been recognised in the consolidated statement of comprehensive income as an increase of foreign exchange gain.

The Group determines the fair value of its foreign exchange forward valuations by the use of mark to market valuations based on observable market data as at the close of business on 01 July 2022.

25. CONTINGENT LIABILITIES AND GUARENTEES

The Group has no contingent liabilities or guarantees as at 01 July 2022 (2021: Nil).

26. POST BALANCE SHEET EVENTS

There are no subsequent events that would have a material impact on the financial statements at the balance sheet date.

27. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 1 July 2022 the Group was wholly owned by S.C. Johnson Netherlands [illegible] U.A., a company incorporated in the Netherlands. S.C. Johnson & Son, Inc., incorporated in the USA, is the ultimate parent undertaking and will be the smallest and largest group of undertakings to consolidate these financial statements. S.C. Johnson Netherlands [illegible] U.A. purchased all of the equity shares of the Group holding company on 16 January 2018.

	Notes	01 July 2022 £'m	02 July 2021 (restated) £'m
Non-current assets			
Intangible assets	4	[illegible]	12.3
Tangible assets	5	[illegible]	0.4
Investment in subsidiary undertaking	6	[illegible]	[illegible]
Debtors: Amounts falling due after more than one year	7		
		47.5	**48.2**
Current Assets			
Debtors: amounts falling due within one year	8	6.7	19.2
Cash at bank and in hand			1.9
		6.7	**21.1**
Creditors: amounts falling due within one year	9	**(26.2)**	**(33.1)**
Net current (liabilities)/asset		**(19.6)**	**(12.0)**
NET ASSETS		**28.0**	**36.2**
Capital and reserves			
Called up share capital	10		
Retained earnings		28.0	36.2
TOTAL EQUITY		**28.0**	**36.2**

People Against Dirty Holdings Limited has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's loss after tax was £8.2m (2021: restated profit of £0.7m).

Approved by the board of directors and authorised for issue by

Guillermo Beade – Director

28 March 2023

PEOPLE AGAINST DIRTY HOLDINGS LIMITED

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 01 JULY 2022

	Called up Share capital	Retained Earnings	Total Equity
	£'m	£'m	£'m
Balance as at 03 July 2020	-	63.6	63.6
Loss for the period (restated)		0.7	0.7
Total comprehensive loss for the period (restated)		0.7	0.7
Dividends paid		(28.1)	(28.1)
Balance as at 02 July 2021 (restated)		**36.2**	**36.2**
Profit for the period		(8.2)	(8.2)
Total comprehensive income for the period		(8.2)	(8.2)
Dividends paid			
Balance as at 01 July 2022	-	**28.0**	**28.0**

1. ACCOUNTING POLICIES

1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards (FRS 102) on a going concern basis and the Companies Act 2006. The policies have been consistently applied for the accounting period ended 31 July 2022 and 31 July 2021. The financial statements are presented in Pounds Sterling, that being the presentational and functional currency of the Company and all values are rounded to the nearest million except where indicated.

Refer to the Group's Note 1 general information about the company. Accounting policies which are consistent between the group and parent have only been included in Note 1 of the consolidated financial statements.

The Company has taken advantage of the following exemptions in accordance with Section 1.12:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No statement of cash flows has been presented for the parent company;
- Requirements of Section 11 (financial instruments);
- Requirements of Section 26 (share based payments);
- Requirement of Section 33 (related party disclosures); and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied consistently:

1.2. INVESTMENTS

Investments in subsidiaries are stated at cost less provision for impairment.

1.3. IMPAIRMENT OF INVESTMENTS

The investments are reviewed for impairments where circumstances indicate the carrying value may not be recoverable.

1.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under FRS 102 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period are discussed below.

Impairment of investments

The Company is required to test whether investments have suffered any impairment. The recoverable amounts of the CGUs have been determined based on value in use estimations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the CGU and the estimation in deriving the applicable discount rate.

1.5. PRIOR YEAR MISTATEMENT

During the period, management identified that the recognition of a deferred tax asset in relation to losses in People Against Dirty Holdings Limited for the year ended 31 July 2021 was not supportable by future taxable profits in the company or agreed tax planning with regard to loss surrenders. As such, a restatement has been posted to derecognise the amount in the 2021 financial statements of the People Against Dirty Holdings Limited standalone financial statements for year ended 31 July 2021. This restatement impacts debtors due after one year, profit and retained earnings. Net assets decreased by £1.0m with debtors due after 1 year decreasing £1.0m, profit after tax decreasing £1.0m and retained earnings decreasing £1.0m.

1.6. DIRECTORS' REMUNERATION

Details of Directors' remuneration including that of the highest paid Director, are set out in note [illegible] to the consolidated financial statements.

2. AUDITORS' REMUNERATION

Refer to Note 4 of the consolidated group financial statements where Auditors' Remuneration is disclosed.

3. INTANGIBLE ASSETS

	Trademarks and licences
	£'m
Cost	
As at 02 July 2021	[illegible]
As at 01 July 2022	**15.5**
Amortisation	
As at 02 July 2021	[illegible]
Charge for the period	[illegible]
At 01 July 2022	**3.8**
Net book value	
At 02 July 2021	[illegible]
At 01 July 2022	**11.7**

4. TANGIBLE ASSETS

	Assets under construction
	£'m
Cost	
As at 02 July 2021	0.4
Additions	
As at 01 July 2022	**0.4**
Amortisation	
As at 02 July 2021	
Charge for the period	[illegible]
At 01 July 2022	**-**
Net book value	
At 02 July 2021	0.4
At 01 July 2022	**0.3**

5. INVESTMENTS

	£'m
At cost less impairment	
As at 02 July 2021	**35.5**
Acquisition of PAD UK	4.9
Impairment of PAD UK Limited	(4.9)
At at 01 July 2022	**35.5**

SUBSIDIARY UNDERTAKINGS

All of the subsidiaries have been included in the consolidated financial statements. A list of the subsidiaries held at the end of the period is set out below.

Name	Country of incorporation	Nature of Business	Holding – Ordinary Shares
Subsidiary undertakings			
Ecover Co-ordination Centre NV	Belgium	Regional HQ	100%
People Against Dirty UK Limited	UK	Regional HQ	100%
Held by a subsidiary undertakings			
Ecover Belgium NV	Belgium	Sales	[illegible]
Ecover Deutschland GmbH	Germany	Sales	100%
Ecover France SAS	France	Sales	[illegible]
Ecover India Limited	India	Dormant	100%
Ecover UK Limited	UK	Sales	100%
EPC NV	Belgium	Manufacturing	100%
Ecover Research & Communities NV (ERC)*	Belgium	Property Holding	100%
Heid AG	Switzerland	Sales	100%

* In the process of voluntary liquidation

6. INVESTMENTS (CONTINUED)

The registered addresses of subsidiary entities are as follows:

Name	Registered addresses
Ecover UK Limited	The Ministry of Clean, Frimley Green Road, Camberley, Surrey, GU16 7AJ
People Against Dirty UK Limited	The Ministry of Clean, Frimley Green Road, Camberley, Surrey, GU16 7AJ
[illegible] AG	[illegible] [illegible]
Ecover India Limited	[illegible] Lower Ground Floor, Malviya Nagar, New Delhi 110017 India
Ecover Deutschland GmbH	Stammheimer Straße 41, 70435 Stuttgart, Germany
Ecover France SAS	Parc Paysager d'Activités de Landacres, Boulevard de Strasbourg [illegible] Hesdin l'Abbé, France
Ecover Belgium NV	Steenovenstraat 1A, 2390 Malle, Belgium
Ecover Co-ordination Centre NV	Steenovenstraat 1A, 2390 Malle, Belgium
EPC NV	Industrieweg 3 2390 Malle, Belgium
Ecover Research & Consultancy NV (ERC)	Industrieweg 3, 2390 Malle, Belgium

7. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	2021 Restated
Debtors receivable in more than one year	**£'m**	**£'m**
Deferred tax assets (note 12)		

8 DEBTORS: AMOUNTS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'m	£'m
Prepayment and accrued income	[illegible]	[illegible]
Short term receivables from group companies	[illegible]	[illegible]
	6.7	**19.2**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'m	£'m
Creditors payable in less than one year		
Short term payables to group companies	[illegible]	[illegible]
Short term payables to subsidiaries of ultimate parent company		[illegible]
Accruals	[illegible]	0.8
VAT Payable	[illegible]	[illegible]
	26.2	**33.1**

There are no loan notes receivable on demand

10. SHARE CAPITAL

Share Capital	£'000
At 01 January [illegible]	[illegible]
At 02 July 2021	[illegible]
Repayment of share capital	
At 01 July 2022	**0.0**

On September [illegible] 2018 [illegible] plan approved by S.C. Johnson [illegible] Holdings [illegible] share capital of £[illegible]. This transaction resulted in the cancellation of [illegible] of the [illegible] ordinary shares of £1.00 each that were originally authorised, allotted and issued during prior years. There is a single class of share capital (see also Group note [illegible]).

[illegible] FINANCIAL INSTRUMENTS

	2022 £'m	2021 £'m
Financial assets measured at amortised cost		
Cash at bank and in hand		[illegible]
Amounts owed by related parties	[illegible]	[illegible]
	6.0	**21.0**
Financial liabilities measured at amortised cost		
Amounts owed to related parties	22.4	31.1
Other creditors	3.8	2.0
	26.2	**33.1**

12. DEFERRED TAX

Carried forward tax losses are £[illegible] (2021 restated: £[illegible]) which at the future tax rate of [illegible] leads to an unrecognised deferred tax asset of £5.7m (2021 restated: £3.5m).

13. POST BALANCE SHEET EVENTS

Refer to Note 26 of the consolidated group financial statements where Post Balance Sheet Events is disclosed.