

COMPANY NUMBER: 09876184

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED  
02 July 2021



|  | Page |
|--|------|
| Company information                              | 3    |
| Strategic Report                                 | 4    |
| Report of the Directors'                         | 9    |
| Directors' Responsibilities Statements           | 15   |
| Independent Auditors' Report                     | 16   |
| Consolidated Statement of Comprehensive Income   | 19   |
| Consolidated Balance Sheet                       | 20   |
| Consolidated Statement of Changes in Equity      | 21   |
| Statement of Consolidated Cash flows             | 22   |
| Notes to the Financial Statements                | 23   |
| Parent Company Balance Sheet                     | 46   |
| Parent Company Statement of Changes in Equity    | 47   |
| Notes to the Parent Company Financial Statements | 48   |

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**  
COMPANY INFORMATION

PAGE 3

|                     |   |
|---------------------|---|
| Directors           | Jeff Bezzo<br>Guillermo Beade<br>Kristi Peterson                        |
| Company number      | 09876184  |
| Registered office   | The Ministry of Clean<br>1 Eton Street<br>Richmond<br>London<br>TW9 1AG |
| Independent auditor | Ernst & Young LLP<br>Apex Plaza<br>Forbury Road<br>Reading<br>RG1 1YE   |

The directors present their strategic report for People Against Dirty Holdings Limited and its subsidiaries ("the Group") for the period ended 02 July 2021.

## **BUSINESS REVIEW**

The Group is in business to develop, produce, distribute, 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.

## **KEY PERFORMANCE INDICATORS**

The key financial performance indicators that are considered most important to measure the performance and progress of the Group are shown 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, returns and sales taxes.

2021: €103.8m

2020: €101.9m

### **Gross Margin**

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

2021: 30.1%

2020: 29.8%

### **Operating profit**

Operating profit excluding exceptional items is operating profit adding back exceptional expenses.

2021: €5.0m

2020: €2.6m

### **Net finance income/(costs)**

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

2021: €1.4m

2020: (€2.6m)

### **Net Surplus**

Net surplus is the sum of short and long-term debt receivable plus cash at bank and in hand (note 21)

2021: €8.7m

2020: €36.2m

### KEY PERFORMANCE INDICATORS (CONTINUED)

Turnover in the period ended 02 July 2021 was €103.8m compared to €101.9m in the prior period. This represents 2% growth compared to the prior period which included the first COVID-19 peak. Ecover saw the growth in the period particularly in fabric sales with more people working from home, however the dishcare division showed a small decline due to change in consumer behaviours. E-Commerce sales growth was also strong increasing by 37% year on year due to product placement on Amazon.

Gross profit margin as a percentage of turnover on continuing operations was 30.1% in the period ended 02 July 2021, an increase of around 0.3% on the prior period. This is driven by a combination of lower promotional activity impacted by lockdowns across European markets plus insourcing of production and cost control in our Malle factory.

The operating profit has increased to €5.0m for the period ended 02 July 2021 (2020 operating profit: €2.6m). The company continuously focuses on cost management and control of the selling, distribution and administration costs. Limiting the increase in these costs combined with sales & margin growth provides leverage driving higher operating profit.

Net finance income has increased to €1.4m for the period ended 02 July 2021 (2020 net finance cost: €2.6m) is mainly driven by the foreign exchange fluctuation.

The net surplus position of the group has decreased by €27.5m, this is due to reduction in loans due from related parties following a dividend distribution.

### 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 via 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 impediment 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 PAD Group also devotes significant time and resources to programs 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.

In January 2021, we recalled two specific batches of Ecover Zero laundry liquid 1.5 litres due to a safety concern. The affected bottles contained potassium hydroxide at hazardous levels that could have caused the bottle to leak. Contact with the liquid could have resulted in harm to the skin and eyes, including causing skin burns or eye damage. The product was sold in UK retail outlets and a limited number of retailers in Ireland from November 2020.

This was found to be an isolated incident caused by an error in our production process. Controls have been strengthened to ensure this type of error won't repeat going forward. The recall process was dealt with efficiently and effectively at the time with open, transparent communication with our customers and consumers. This minimized the impact on our sales and ensured there was no lasting damage to the Ecover brand.

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

Our financial targets assume a consistently improved level of innovation and efficiencies in productivity to meet the challenges facing the businesses 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.

**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 - The Group is anticipating significant inflationary pressure across its cost bases in fiscal FY2022. The Group will introduce targeted price increases across its portfolio of products and more favourable prices through its suppliers.

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

Cash flow - The Group has financial assets and liabilities which are exposed to changes in market interest rates. Changes in interest rates impact primarily on deposits, loans 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 and the Group generally does not use hedging instruments to minimise its exposure. However, at the time of taking new loans or borrowings, management uses its judgement to determine whether it believes that a fixed or variable rate would be more favourable for the Group over the expected period until maturity.

COVID-19

The Group benefitted from higher turnover in the period ending 02 July 2021 from COVID-19 and we continue to see higher run rates on a number of our product lines. We are however aware that the pandemic has resulted in potential increased risk across a number of areas of the business. We have built scenario plans defining actions we would take to mitigate these risks and protect profitability. The main areas of risk can be summarised into the following areas:

Demand for our products  
Demand remains volatile across our product ranges. Whilst run rates in some of the categories in which we operate remain higher than pre-COVID-19 levels others have declined. This makes it more difficult to plan what we should be producing both in short to medium term. To address this, we are spending more time analysing market trends, reviewing investment choices and adapting our innovation pipeline.

We are aware that as key markets enter recession and as disposable income drops that consumers behaviour may change. This may result in reduced demand for premium sustainable products with consumer switching to private label and lower cost options.

Our retail customers are also adapting to the COVID-19 environment, delaying range reviews and consolidating the number of products types on shelves. This impacts the ability to get new products on shelf as well as maintain existing distribution channels. The sales teams in each of the markets we operate are working hard to mitigate this risk highlighting the strength of our brands and differentiating factors of our products.

Supply chain  
The volatility in demand makes it more difficult to plan production, not only what to produce but how much. This may result in periods where production capacity is not enough to meet demand. In order to address this risk we have looked at a number of ways of expanding capacity through additional shifts in our Belgium manufacturing plant, building inventory levels during low demand periods and exploring third party manufacturing options.

We are also seeing some constraints on the supply of key materials plus packaging used in our products due to increased global demand. Our procurement team is maintaining close dialogue with our key suppliers to secure supply and minimise any inflationary pressures. In addition, they continue to work with the wider SC Johnson team to explore alternatives and leverage synergies to build relationships with new suppliers.

Our people  
Our people are critical to ensuring the business continues to operate throughout the COVID-19 pandemic. We recognise the hard work and flexibility of our people to continue to support the business needs during exceptionally challenging and uncertain times.

Our manufacturing plant in Belgium remained open during the period with social distancing measures adopted to make sure the safety and wellbeing of or people was maintained. Many of our office employees have been working from home during the second half of the period with the business providing support to facilitate an effective remote working environment. We have also invested in our offices in order to make them compliant with social distancing requirements in each of the countries we operate.

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

**COVID-19 (continued)**

The Group will continue the modelling of COVID-19 scenarios to identify and evaluate the financial impact and opportunities, with an assessment of potential liquidity mitigation options.

Disclosures in relation to Section 172 and Streamlined Energy and Carbon Reporting Framework are included within the Directors Report.

This report was approved by the board on 28 March 2022 and signed on its behalf.

  
\_\_\_\_\_  
Jeff Bezzo - Director



The directors submit their report and the audited financial statements of the group for the period ended 02 July 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company continued 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**

The results for the Group for the period are set out in detail on page 19. On 24th September 2020, People Against Holdings Limited issued a dividend of €31.7m (2020: €nil).

#### **DIRECTORS**

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

Jeff Bezzo (Appointed on 19 February 2021) -  
Guillermo Beade (Appointed on 19 February 2021)  
Kristi Peterson (Appointed on 19 February 2021)  
Audrey Sue Ditter (Terminated on 19 February 2021)  
Timothy Earl Bailey (Terminated on 19 February 2021)  
Brian Patrick Tippet (Terminated on 19 February 2021)

#### **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**

On 4 February 2022, Ecover Limited acquired 100% of assets and liabilities in Method Products Limited at net book value, an intra-group company with a net liability of £0.2m. On 3 March 2022, The Company acquired 100% of shares of People Against Dirty UK Limited for £4.3m from Ecover Co-ordination Center BV, an intra-group company with a net liability of £0.6m. Both transactions are made to restructure the wider S.C. Johnson group.

## 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 Groups 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 drive awareness of the need to ensure that the planets 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 for the global environment, reducing the need for unsustainable and harmful cleaning products.

### Consumer

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 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.

### Customer

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 Ecommerce and we continue to work with them to support and develop this channel.

### Suppliers

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 things being equal, priority is given to suppliers that can demonstrate an ability to improve the sustainability of our products.

### Shareholders

Our shareholder is SC Johnson & Sons Inc a U.S 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 engaged with stakeholders from civil society, consumers, customers, suppliers and employees as we updated our sustainability priorities and targets. We directly engaged external stakeholders in the sustainability strategy development process, sought direct feedback via interviews and conducted surveys with consumers to understand their priority sustainability issues. Concerns around plastic waste, climate change and biodiversity loss were all called out as rising in both importance and urgency.

We hosted workshops on our approach to carbon reduction and the application of circular economy principles in our supply chain. Through our parent company, we engaged with the Ellen MacArthur Foundation on driving the circular economy and reported our plastics footprint. In the UK, we participated in the UK Plastics Pact, with a particular focus on driving refill behaviour through the Refill Collaborative Action Group.

Inspired by the pandemic we set up the FERTILISE THE FUTURE fund giving over £500,000 to organisations to fight the climate crisis. We were looking for ideas not just to help nature, but that enhanced it as well. These are known as nature based solutions. Actions that work with nature to provide benefits to people and biodiversity. They include the protection, restoration or management of ecosystems on land and sea. Well designed ones can have a broader impact than the one they're designed for. Three winners were chosen with projects which have the exciting potential to make a real impact that can be measured and replicated elsewhere.

Throughout the period, our leadership team monitored progress on our ambitious plastics targets and discussed the development of our new carbon reduction targets and programmes to support nature based solutions.

### Employee engagement

The group take 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 whistle-blower 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 of the formalised appraisal system and during the normal course of business.

The Group has weekly firm wide 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.

## **Our environment**

The Company recognises its responsibility to minimise its impact on the natural environment and continues its commitment to reduce its energy consumption, carbon emissions, water usage 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 to let in sunlight, providing natural lighting and reducing the need for heating. A living green roof was planted to help with insulation. In 2019, solar panels were installed on the roof area not covered by the green roof to supply renewable energy to the site. The business continues to promote our energy saving across its own factory and offices through the timely supply of accurate energy consumption reporting.

During 2021, the Company has continued to invest in energy saving technologies including LED lighting. Projects are underway to replace propane powered forklifts with electrical models and to convert bio waste to energy to displace natural gas.

The manufacturing facility purchases renewable electricity.

### **Greenhouse gas emissions**

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

Scope 1 (Direct emissions): operation of facilities; and

Scope 2 (Indirect emissions): consumption of purchased electricity, heat and steam.

Fuel: Passenger vehicle fuel.

### **Greenhouse gas emissions data**

Emissions data across reporting period was as follows:

| <b>Emission Type</b>   | <b>CO2e tonnes</b> |                |
|--|--------------------|----------------|
|  | <b>FY 2021</b>     | <b>FY 2020</b> |
| Scope1: Operation of facilities                              | 246                | 296            |
| Scope 2: Purchased Energy (UK)                               | 190                | 282            |
| Fuel   | 47                 | 84             |
| Total Emissions  | 483                | 662            |
| Total emissions allowing for purchased renewable electricity | 308                | 405            |

Greenhouse gas emissions intensity ratio:

|   | <b>FY2021</b> | <b>FY2020</b> |
|---|---------------|---------------|
| Total footprint (Scope 1, Scope 2 and fuel) – CO2e tonnes                       | 483           | 662           |
| Turnover (€)  | 103.8 M       | 101.9 M       |
| Intensity Ratio (CO2e tonnes/€1m)   | 4.7           | 6.5           |
| Intensity Ratio (CO2e tonnes/€1m) allowing for purchased renewable electricity. | 3.0           | 4.0           |

Lower GHG emissions in FY2021 are largely a reflection of less travel during the pandemic and refined allocation of factory emissions.

## PEOPLE AGAINST DIRTY HOLDINGS LIMITED

### REPORT OF THE DIRECTORS (CONTINUED)

PAGE 13

#### Scope and Methodology:

Our methodology has been based on the principles of the *WRI/WBCSD Greenhouse Gas Protocol and Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019*.

We have reported on all the measured emission sources required under The Companies Act 2006 (Strategic Report and Directors Report Regulations 2013), with the exception of our German office, for which (relatively insignificant) data was not readily available.

The period of our report is from 4 July 2020 to 2 July 2021 and encompasses UK and European Ecover 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 other emissions are those published by the Department for Business, Energy and Industrial strategy 2020 and 2021. European grid emission factors are derived from the European Environment Agency data.

#### Waste

In the 2020 calendar year, the company had a diversion rate of manufacturing waste from landfill and incineration of 98% and carried on its TRUE Zero Waste certification at the platinum level based on an increase in 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 company consumed the following:

|                  | 2021      | 2020      |
|------------------|-----------|-----------|
| Natural gas, m3  | 138,653   | 145,190   |
| Electricity, kWh | 1,115,769 | 1,606,369 |
| Water, m3        | 45,054    | 44,210    |

The research and development performed by the Group focus on product development, development of packaging and product safety. The product research and development related to both pure research and applied research. The total research and development expenses included in the 2021 consolidated statement of comprehensive income was €2.1m (2020: €2.0m).

#### **GOING CONCERN**

The financial position of the Group and the Company, its cash flows, liquidity position and borrowing facilities are described in the strategic report, directors report and primary financial statements. The Group is net cash generative from operations and has both net current assets and net assets. As outlined further in note 1 to the financial statements, the directors have a reasonable expectation that the Group and the Company has access to adequate resources to continue in operational existence for the going concern assessment period of 12 months from the approval of the financial statements. No material uncertainties that could cast significant doubt on the ability of the Group and the Company to continue as a going concern have been identified. This conclusion has been reached after receipt of a corporate support letters issued by the parent company. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

In relation to the COVID-19 outbreak, our business continuity plans are working well. The directors are mindful of the risk associated with COVID-19 and have a plan in place to ensure a continuation of the Group and Company operations during COVID-19 and we have no reason to believe, at this stage, it will impact the going concern of the Group and Company.

As a result, the directors believe that the Group and Company has adequate resources to continue operations for the foreseeable future. Accordingly, the financial statements have been drawn up on the basis that the Group and Company is a going concern.

#### **DIRECTORS' INDEMNITY INSURANCE**

The Group and Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against the 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 2022 and signed on its behalf by:

  
Jeff Bezzo - 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.

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 02 July 2021 which comprise 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 and 1 to 13 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 02 July 2021 and of the group's loss for the period 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 below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.



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.

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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEOPLE AGAINST DIRTY HOLDINGS LIMITED

PAGE 18

## ***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.

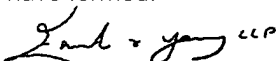
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (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 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 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 Company has established to address 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.



Tristan Allen (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
Date: 29 March 2022

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 02 JULY 2021**

COMPANY NUMBER: 09876184

PAGE 19

|  | Note | 02 July 2021<br>Total | 03 July 2020<br>Total |
|--|------|-----------------------|-----------------------|
|  |      | €'m                   | €'m                   |
| <b>Turnover</b>  | 3    | <b>103.8</b>          | <b>101.9</b>          |
| Cost of sales  |      | (72.6)                | (71.5)                |
| <b>Gross Profit</b>  |      | <b>31.2</b>           | <b>30.4</b>           |
| Selling and distribution costs                               |      | (12.4)                | (16.2)                |
| Administrative expenses                                      |      | (13.8)                | (11.6)                |
| <b>Operating profit</b>                                      | 4    | <b>5.0</b>            | <b>2.6</b>            |
| Interest receivable and similar income                       | 8    | 2.1                   | 0.2                   |
| Interest payable and similar charges                         | 9    | (0.7)                 | (2.8)                 |
| <b>Net interest receivable/(payable) and similar charges</b> |      | <b>1.4</b>            | <b>(2.6)</b>          |
| <b>Profit on ordinary activities before taxation</b>         |      | <b>6.4</b>            | <b>-</b>              |
| Taxation on profit / (loss) on ordinary activities           | 10   | 0.9                   | (2.3)                 |
| <b>Profit / (loss) for the period</b>                        |      | <b>7.3</b>            | <b>(2.3)</b>          |
| <b>Other comprehensive (loss) / income</b>                   |      |                       |                       |
| Currency translation differences                             |      | (2.8)                 | 0.1                   |
| <b>Total comprehensive income / (loss) for the period</b>    |      | <b>4.5</b>            | <b>(2.2)</b>          |

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

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 02 JULY 2021**

COMPANY NUMBER: 09876184

PAGE 20

|   | Notes | 02 July 2021<br>€'m | 03 July 2020<br>€'m |
|---|-------|---------------------|---------------------|
| <b>Non-current assets</b>                             |       |                     |                     |
| Intangible assets                                     | 11    | 14.4                | 14.6                |
| Tangible assets                                       | 12    | 12.4                | 12.2                |
| Debtors: Amounts falling due after more than one year | 14    | 3.7                 | 3.5                 |
|   |       | <b>30.5</b>         | <b>30.3</b>         |
| <b>Current Assets</b>                                 |       |                     |                     |
| Stocks  | 13    | 16.1                | 15.1                |
| Debtors: amounts falling due within one year          | 14    | 28.8                | 57.9                |
| Cash at bank and in hand                              |       | 15.1                | 11.4                |
|   |       | <b>60.0</b>         | <b>84.4</b>         |
| <b>Creditors: amounts falling due within one year</b> | 15    | <b>(39.5)</b>       | <b>(36.7)</b>       |
| <b>Net current assets</b>                             |       | <b>20.5</b>         | <b>47.7</b>         |
| <b>Total Assets less current liabilities</b>          |       | <b>51.0</b>         | <b>78.0</b>         |
| Provisions for liabilities                            | 16    | (0.4)               | (0.2)               |
| <b>NET ASSETS</b>                                     |       | <b>50.6</b>         | <b>77.8</b>         |
| <b>Capital and reserves</b>                           |       |                     |                     |
| Called up share capital                               | 19    | -                   | -                   |
| Merger reserve  |       | 7.5                 | 7.5                 |
| Retained earnings                                     |       | 43.1                | 70.3                |
| <b>Equity attributable to owners of the parent</b>    |       | <b>50.6</b>         | <b>77.8</b>         |

Approved by the board of directors and authorised for issue by:



Jeff Bezzo - Director

3/28/2022

Date

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

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 02 JULY 2021**

PAGE 21

|  | <b>Called<br/>up<br/>Share<br/>capital</b> | <b>Merger<br/>Reserve</b> | <b>Retained<br/>Earnings</b> | <b>Total<br/>Equity</b> |
|--|--|---------------------------|------------------------------|-------------------------|
|  | €'m  | €'m                       | €'m                          | €'m                     |
| <b>Balance as at 04 July 2020</b>                | -  | <b>7.5</b>                | <b>70.3</b>                  | <b>77.8</b>             |
| Profit for the period                            | -  | -                         | 7.3                          | 7.3                     |
| Other Comprehensive (loss) for the period        | -  | -                         | (2.8)                        | (2.8)                   |
| <b>Total comprehensive (loss) for the period</b> | -  | -                         | <b>4.5</b>                   | <b>4.5</b>              |
| Dividends paid to shareholders                   | -  | -                         | (31.7)                       | (31.7)                  |
| <b>Balance as at 02 July 2021</b>                | -  | <b>7.5</b>                | <b>43.1</b>                  | <b>50.6</b>             |
| <b>Balance as at 01 July 2019</b>                | -  | <b>7.5</b>                | <b>72.5</b>                  | <b>80.0</b>             |
| Loss for the period                              | -  | -                         | (2.3)                        | (2.3)                   |
| Other Comprehensive income for the period        | -  | -                         | 0.1                          | 0.1                     |
| <b>Total comprehensive (loss) for the period</b> | -  | -                         | <b>(2.2)</b>                 | <b>(2.2)</b>            |
| <b>Balance as at 03 July 2020</b>                | -  | <b>7.5</b>                | <b>70.3</b>                  | <b>77.8</b>             |

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

|   |           | 02 July 2021  | 03 July 2020 |
|---|-----------|---------------|--------------|
|   | Notes     | €'m           | €'m          |
| <b>Cash generated from operating activities</b>           | <b>20</b> | <b>39.3</b>   | <b>13.7</b>  |
| Taxation (paid)   |           | (0.7)         | (0.6)        |
| <b>Net cash generated from operating activities</b>       |           | <b>38.6</b>   | <b>13.1</b>  |
| <b>Cash from investing activities</b>                     |           |               |              |
| Purchase of tangible assets                               | 12        | (2.9)         | (3.2)        |
| Disposal of tangible assets                               | 12        | 0.1           | -            |
| <b>Net cash (utilised) in investing activities</b>        |           | <b>(2.8)</b>  | <b>(3.2)</b> |
| <b>Cash from financing activities</b>                     |           |               |              |
| Net interest paid   | 9         | (0.7)         | (2.6)        |
| Equity dividends  | 18        | (31.7)        | -            |
| <b>Net cash (utilised) in financing activities</b>        |           | <b>(32.4)</b> | <b>(2.6)</b> |
| <b>Net increase in cash and cash equivalents</b>          |           | <b>3.4</b>    | <b>7.3</b>   |
| Cash and cash equivalents at the beginning of the period  |           | 11.4          | 4.9          |
| Exchange gain/(losses) on cash and cash equivalents       |           | 0.3           | (0.8)        |
| <b>Cash and cash equivalents at the end of the period</b> |           | <b>15.1</b>   | <b>11.4</b>  |

**1. ACCOUNTING POLICIES****1.1. GENERAL INFORMATION**

People Against Dirty Holdings Limited (PADHL) is a private company limited by shares and is incorporated and domiciled in England (Company Number: 09876184). The address of its registered office is The Ministry of Clean, 1 Eton Street, Richmond, London, TW9 1AG.

**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 2).

The consolidated financial statements are presented in Euro, that being the presentational currency of the Group, and all values are rounded to the nearest million 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 Ecover Deutschland GmbH (German subsidiary), People Against Dirty UK Ltd and Ecover UK Ltd (UK Subsidiaries) are included in these consolidated financial statements.

People Against Dirty UK Ltd and Ecover 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 financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the going concern assessment period of 12 months from the approval of the financial statements, and meet its liabilities as they fall due.

The directors are mindful of the risk associated with COVID-19 and have a plan in place to ensure a continuation of the group operations during COVID-19 and we have no reason to believe, at this stage, it will impact the going concern of the group.

The business performed strongly through FY21 delivering YOY growth vs an exceptional FY20 impacted by the 1<sup>st</sup> COVID wave. Sales run rates in Hand & Home categories slowed but were still well ahead of pre-COVID levels whilst Fabric sales returned to pre-COVID levels. This meant budget expectations were met in terms of sales and gross margin. In Q4 inflationary pressures started to impact our cost base, this was offset by higher production and stock build to protect against both COVID demand volatility.

**1. ACCOUNTING POLICIES (CONTINUED)****Going Concern (continued)**

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore believe that the group is well placed manage its business risks successfully. In addition, the directors have confirmed that SC Johnson & Son Inc, intends to make funds available to the Group and Company to enable it to meet its liabilities as they fall due for a period of 12 months from the date of approval of these financial statements. The global SC Johnson organisation has considerable financial resources and continues to trade profitably.

In view of the circumstances referred to above, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

**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 4, 2020 through July 2, 2021.

The consolidation of the subsidiaries acquired as part of the significant group restructure on December 10, 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 its 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 28/03/2022.

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



**1. ACCOUNTING POLICIES (CONTINUED)**

**1.4 TURNOVER**

**Sales of goods**

Revenue from the supply of goods is recognised as soon as all substantial rights and risks 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, returns, value added taxes and other sales taxes or duty.

The Group routinely commits to one-time or on-going 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 authorised territories 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 - 27 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 indicators 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 – 39 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 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. 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.

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

**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 original maturity of three months or less.

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 measured 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 stated net of holiday taken.

**Defined contribution plan**

The Group operates a number of defined contribution pension plans for its employees. A defined contribution 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 recorded 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 element, personal performance review and operating profit versus the budget.

**Long term incentive plan**

The Group introduced a new long term bonus incentive plan during the period ended 02 July 2021 for senior leaders in the business. This is an annual program and has a 3 year vesting period. The first grant was made for the period 1st July 2019 to 30th June 2020. Dependant 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.

**1. ACCOUNTING POLICIES (CONTINUED)**

**1.11 FINANCIAL INSTRUMENTS**

The Group only enters into basic financial instruments 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 and 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 borrowing, 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. Interest income is also recognised in the consolidated statement of comprehensive income using the effective interest method.

The Group capitalises costs directly related to the issuance of debt and amortises these costs over the term of the related financing arrangement. Unamortised financing 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 utilised against the provision carried in the balance sheet.

**1.14. RELATED PARTY TRANSACTIONS**

The Group discloses 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 retranslated 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.

***Judgements***

The Group as a lessee obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

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

***Key source of estimation uncertainty***

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

**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 five 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.

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



**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 judgments about future events. New information may become available that causes the Group to change its judgment 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 17.

**3. ANALYSIS OF TURNOVER**

|                                       | 2021         | 2020         |
|---------------------------------------|--------------|--------------|
|                                       | €'m          | €'m          |
| <b>Sale of goods</b>                  | 103.8        | 101.9        |
| <b>Analysis of turnover by region</b> |              |              |
| United Kingdom                        | 35.4         | 50.4         |
| Rest of Europe                        | 61.5         | 46.4         |
| United States of America              | 0.6          | 0.8          |
| Rest of the world                     | 6.3          | 4.3          |
|                                       | <b>103.8</b> | <b>101.9</b> |

The group earned royalty income which is included within sale of goods and represents royalty income associated with the sale of Ecover branded products outside of Europe of EUR €0.4m (2020: €0.3m).

**4. OPERATING PROFIT/(LOSS)**

|                                   |      |       |
|-----------------------------------|------|-------|
| This is stated after charging:    | 2021 | 2020  |
|                                   | €'m  | €'m   |
| Depreciation of tangible assets   | 2.6  | 3.0   |
| Amortisation of intangible assets | 0.8  | 1.0   |
| Operating lease rentals           |      |       |
| Land and buildings                | 0.7  | 0.6   |
| Plant & machinery                 | 0.4  | -     |
| Loss on disposal of assets        | 0.1  | -     |
| Research and development costs    | 2.1  | 2.0   |
| Defined contribution payments     | 0.5  | 0.4   |
| Foreign exchange gain/(loss)      | 2.1  | (1.6) |

#### 4. OPERATING PROFIT/(LOSS) (CONTINUED)

Fees payable to the company's auditors for the audit of the parent company and the Group's consolidated financial statements were €195k (2020: €192k) and for non-audit services were nil (2020: nil). Fees payable to the company's auditor for the audit of the company's subsidiaries in respect of audit services were €125k (2020: €121k) and for non-audit services were nil (2020: nil).

#### 5. EMPLOYEES

Employee costs (including directors) were as follows:

|                                       | 2021        | 2020        |
|---------------------------------------|-------------|-------------|
|                                       | €'m         | €'m         |
| Wages and salaries                    | 16.4        | 17.7        |
| Social security costs                 | 2.0         | 1.9         |
| Pension costs                         | 0.5         | 0.4         |
| Other, including LTIP 2 plan expenses | 2.1         | 1.1         |
|                                       | <b>21.0</b> | <b>21.1</b> |

The pension cost represents contributions payable by the group to the defined contribution plan and amounted to €0.5m (2020: €0.4m). No contributions were payable at the period end.

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

|                                      | 2021       | 2020       |
|--------------------------------------|------------|------------|
|                                      | No.        | No.        |
| Production, selling and distribution | 221        | 189        |
| Administrative                       | 42         | 37         |
|                                      | <b>263</b> | <b>226</b> |

## 6. KEY MANAGEMENT REMUNERATION

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

|                                  | 2021       | 2020       |
|----------------------------------|------------|------------|
|                                  | €'m        | €'m        |
| Salaries and short-term benefits | 4.1        | 2.8        |
| LTIP                             | 1.3        | 0.9        |
| Post-employment benefits         | 0.1        | 0.1        |
|                                  | <u>5.5</u> | <u>3.8</u> |

## 7. DIRECTORS REMUNERATION

The directors' emoluments were as follows:

|  | 2021     | 2020     |
|--|----------|----------|
|  | €'000    | €'000    |
| Aggregate remuneration in respect of qualifying services | -        | -        |
| Defined contribution pension scheme contribution         | -        | -        |
|  | <u>-</u> | <u>-</u> |

The directors of the company are also directors or officers of other Johnson group companies, and the 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 02 July 2021:

In respect of the highest paid director:

|  | 2021     | 2020     |
|--|----------|----------|
|  | €'000    | €'000    |
| Aggregate remuneration in respect of qualifying services | -        | -        |
|  | <u>-</u> | <u>-</u> |

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>€'m</b>  | <b>€'m</b>  |
| Interest receivable from related parties | -           | 0.2         |
| Foreign exchange gain                    | 2.1         | -           |
|  | <b>2.1</b>  | <b>0.2</b>  |

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

|                                     | <b>2021</b> | <b>2020</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>€'m</b>  | <b>€'m</b>  |
| Interest expense to related parties | -           | 0.1         |
| Bank interest payable               | 0.7         | 1.0         |
| Foreign exchange loss               | -           | 1.6         |
| Other interest payable              | -           | 0.1         |
|                                     | <b>0.7</b>  | <b>2.8</b>  |

10. TAXATION ON LOSS ON ORDINARY ACTIVITIES

|   | 2021<br>€'m  | 2020<br>€'m |
|---|--------------|-------------|
| <b>Profit and loss account:</b>                               |              |             |
| <b>Current tax charge:</b>                                    |              |             |
| UK Corporation tax - current period                           | (1.6)        | -           |
| Foreign tax on profits for the year – prior period adjustment | -            | 0.6         |
| Foreign tax on profits - current period                       | 0.8          | -           |
| Total current tax (credit)/charge                             | <b>(0.8)</b> | <b>0.6</b>  |
| <b>Deferred tax:</b>  |              |             |
| Carried forward losses  | -            | 0.5         |
| Reversal of timing differences                                | (0.1)        | 1.1         |
| Impact of change in deferred tax rates                        | -            | 0.1         |
| Total deferred tax  | <b>(0.1)</b> | <b>1.7</b>  |
| Total tax (credit)/charge                                     | <b>(0.9)</b> | <b>2.3</b>  |
|   |              |             |
|   | 2021<br>€'m  | 2020<br>€'m |
| Reconciliation of tax charge:                                 |              |             |
| Profit on ordinary activities before tax                      | 6.4          | -           |
| Profit multiplied by standard rate of tax in the UK           | <b>1.2</b>   | -           |
| Effects of:   |              |             |
| Non-taxable income  | (0.1)        | -           |
| Group relief claimed  | (1.6)        | -           |
| Impact of overseas corporate tax rates                        | 0.4          | 0.2         |
| Reversal of timing differences                                | (0.1)        | 1.1         |
| Movements in unrecognised deferred tax                        | (0.7)        | 1.0         |
|   | <b>(0.9)</b> | <b>2.3</b>  |

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 €6.3m (2020: €6.5m), calculated in respect of a UK trading loss carried forward of €25.2m (2020: €34.4m) at the UK deferred tax rate of 25% (2020: 19%). The deferred tax assets will unwind against the profits of the individual entities across Europe (guaranteed via the Groups transfer pricing policy), with the preference being to utilise brought forward net operating losses before entering any form of group relief.

11. INTANGIBLE FIXED ASSETS

|                        | Software   | Trademarks,<br>customer<br>relationships<br>and licences | Total       |
|------------------------|------------|--|-------------|
|                        | €'m        | €'m  | €'m         |
| <b>Cost</b>            |            |  |             |
| At 04 July 2020        | 3.2        | 17.5   | 20.7        |
| Additions              | -          | -  | -           |
| Disposals              | -          | -  | -           |
| Foreign exchange       | -          | 0.7  | 0.7         |
| <b>At 02 July 2021</b> | <b>3.2</b> | <b>18.2</b>  | <b>21.4</b> |
| <b>Amortisation</b>    |            |  |             |
| At 04 July 2020        | 3.0        | 3.1  | 6.1         |
| Charge for the year    | 0.2        | 0.6  | 0.8         |
| Disposals              | -          | -  | -           |
| Impairment             | -          | -  | -           |
| Foreign exchange       | -          | 0.1  | 0.1         |
| <b>At 02 July 2021</b> | <b>3.2</b> | <b>3.8</b>   | <b>7.0</b>  |
| <b>Net book value</b>  |            |  |             |
| At 04 July 2020        | 0.2        | 14.4   | 14.6        |
| <b>At 02 July 2021</b> | <b>-</b>   | <b>14.4</b>  | <b>14.4</b> |

12. TANGIBLE FIXED ASSETS

|                        | Land and<br>Buildings | Asset Under<br>Construction | Plant,<br>equipment and<br>other fixed<br>assets | Total       |
|------------------------|-----------------------|-----------------------------|--|-------------|
|                        | €'m                   |                             | €'m  | €'m         |
| <b>Cost</b>            |                       |                             |  |             |
| At 04 July 2020        | 8.3                   | -                           | 28.0   | 36.3        |
| Additions              | -                     | 1.5                         | 1.4  | 2.9         |
| Disposals              | (0.1)                 | -                           | -  | (0.1)       |
| <b>At 02 July 2021</b> | <b>8.2</b>            | <b>1.5</b>                  | <b>29.4</b>                                      | <b>39.1</b> |
| <b>Depreciation</b>    |                       |                             |  |             |
| At 04 July 2020        | 5.7                   | -                           | 18.4   | 24.1        |
| Charge for the period  | 0.2                   | -                           | 2.4  | 2.6         |
| Disposals              | -                     | -                           | -  | -           |
| <b>At 02 July 2021</b> | <b>5.9</b>            | <b>-</b>                    | <b>20.8</b>                                      | <b>26.7</b> |
| <b>Net book value</b>  |                       |                             |  |             |
| At 04 July 2020        | 2.6                   | -                           | 9.6  | 12.2        |
| <b>At 02 July 2021</b> | <b>2.3</b>            | <b>1.5</b>                  | <b>8.6</b>                                       | <b>12.4</b> |

13. STOCKS

|                                     | 2021        | 2020        |
|-------------------------------------|-------------|-------------|
|                                     | €'m         | €'m         |
| Raw materials and consumables       | 3.6         | 4.9         |
| Work in progress                    | 0.2         | 0.2         |
| Finished goods and goods for resale | 12.6        | 10.3        |
| Provision for impairment            | (0.3)       | (0.3)       |
|                                     | <b>16.1</b> | <b>15.1</b> |

The difference between purchase price or production cost of stocks and their replacement cost is not material. Stocks recognised as an expense in the period was €70.3m (2020: €69.0m). Impairment losses for the period were €22k (2020: €76k) and impairment losses reversed from the income during the period were €nil (2020: €nil). Impairment and impairment reversals are recognised in the cost of sales line within the income statement. Impairment of stock was due to old stock becoming obsolete.

14. DEBTORS

|                                     | 2021       | 2020       |
|-------------------------------------|------------|------------|
|                                     | €'m        | €'m        |
| <b>Due after more than one year</b> |            |            |
| Deferred tax (refer to note 17)     | 3.7        | 3.5        |
|                                     | <b>3.7</b> | <b>3.5</b> |

|  | 2021        | 2020        |
|--|-------------|-------------|
|  | €'m         | €'m         |
| <b>Due within one year</b>             |             |             |
| Trade debtors                          | 17.7        | 17.5        |
| Loans due from related parties         | -           | 30.9        |
| Trade receivables from related parties | 8.8         | 6.7         |
| Other indirect tax receivable          | 1.5         | 1.8         |
| Other debtors                          | 0.1         | 0.3         |
| Prepayments and accrued income         | 0.7         | 0.7         |
|  | <b>28.8</b> | <b>57.9</b> |

Trade debtors are carried net of a provision for bad debts of €31k (2020: €311k). 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**

|  | 2021        | 2020        |
|--|-------------|-------------|
|  | €'m         | €'m         |
| <b>Amounts falling due within one year</b> |             |             |
| Trade creditors                            | 10.4        | 12.8        |
| Loans owed to related parties              | 6.4         | 6.1         |
| Other amounts owed to related parties      | 5.6         | 1.2         |
| Other taxes including social security      | 1.3         | 3.2         |
| Corporation tax payable                    | 0.8         | 0.7         |
| Accruals and deferred income               | 15.0        | 12.7        |
|  | <b>39.5</b> | <b>36.7</b> |

Included in amounts owed by fellow group undertakings are €6.4m (2020 – €6.1m) unsecured loan notes receivable on demand with an interest rate of 1.18% (2020: 1.18%).

**16. PROVISIONS FOR LIABILITIES**

There is a dilapidation accrual for the Group as at 02 July 2021 of €0.4m (2020: €0.2m).

**17. DEFERRED TAXATION**

|                                   | 2021       | 2020       |
|-----------------------------------|------------|------------|
|                                   | €'m        | €'m        |
| <b>Deferred tax asset:</b>        |            |            |
| Opening deferred tax asset        | 3.5        | 4.1        |
| Reversal of timing differences    | 0.1        | (0.1)      |
| Current year timing difference    | 0.1        | -          |
| Carried forward losses            | -          | (0.5)      |
| <b>Closing deferred tax asset</b> | <b>3.7</b> | <b>3.5</b> |
| <b>Comprising:</b>                |            |            |
| Tax losses                        | 3.7        | 3.5        |
| <b>Total</b>                      | <b>3.7</b> | <b>3.5</b> |

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 €6.3m (2020: €6.5m), calculated in respect of a UK trading loss carried forward of €25.2m (2020: €34.4m) at the UK deferred tax rate of 25% (2020: 19%). The deferred tax assets will unwind against the profits of the individual entities across Europe (guaranteed via the Groups transfer pricing policy), with the preference being to utilise brought forward net operating losses before entering any form of group relief.

## 18. DIVIDENDS AND APPROPRIATIONS

During the period ended 02 July 2021, the Group paid dividends from distributable reserves to its parent totalling €31.7m (2020: €nil).

## 19. SHARE CAPITAL

|   | 2021 | 2020 |
|---|------|------|
|   | €'m  | €'m  |
| Allotted, called up and fully paid ordinary shares of £1 each | -    | -    |

## 20. NOTES TO THE CASH FLOW STATEMENT

|   | 2021        | 2020        |
|---|-------------|-------------|
|   | €'m         | €'m         |
| <b>Profit/(loss) for the financial period:</b>  | 7.3         | (2.3)       |
| Adjustments for:                                |             |             |
| Tax on (profit)/loss on ordinary activities     | (0.9)       | 2.3         |
| Net interest (income)/expense                   | (1.4)       | 2.6         |
| <b>Operating profit/(loss)</b>                  | <b>5.0</b>  | <b>2.6</b>  |
| Amortisation of intangible assets               | 0.8         | 1.0         |
| Depreciation of tangible assets                 | 2.6         | 3.0         |
| - (Increase) in stocks                          | (1.0)       | (2.3)       |
| - Decrease in debtors                           | 28.9        | 6.9         |
| - Increase in payables                          | 2.8         | 2.3         |
| - Increase in provisions                        | 0.2         | 0.2         |
| <b>Cash generated from operating activities</b> | <b>39.3</b> | <b>13.7</b> |

## 21. NET SURPLUS/(DEBT)

The group's analysis of net debt is as follows:

|                                      | At 02 July 2021 | At 03 July 2020 |
|--------------------------------------|-----------------|-----------------|
|                                      | €'m             | €'m             |
| Cash at bank and in hand             | 15.1            | 11.4            |
| <b>Cash and cash equivalents</b>     | <b>15.1</b>     | <b>11.4</b>     |
| Loans owed (to)/from related parties | (6.4)           | 24.8            |
| <b>Total debt receivable</b>         | <b>6.4</b>      | <b>24.8</b>     |
| <b>Net surplus</b>                   | <b>8.7</b>      | <b>36.2</b>     |

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

## 22. COMMITMENTS UNDER OPERATING LEASES

At 02 July 2021 and 03 July 2020 respectively, the Group had commitments under non-cancellable operating leases as follows:

|  | 2021       | 2020       |
|--|------------|------------|
|  | €'m        | €'m        |
| <b>Not later than one year</b>                           |            |            |
| Land and Buildings                                       | 1.2        | 0.7        |
| Plant and machinery                                      | 0.3        | 0.1        |
| <b>Later than one year and not later than five years</b> |            |            |
| Land and Buildings                                       | 1.2        | 1.3        |
| Plant and machinery                                      | 0.4        | 0.2        |
|  | <b>3.1</b> | <b>2.3</b> |

At 02 July 2021, the group had capital commitments of €0.1m (2020: €0.6m). The capital commitments are largely attributed to the development of a new production line.

## 23. RELATED PARTY DISCLOSURES

At 2<sup>nd</sup> July, the Group had related party transactions and balances with related parties as follows:

|  | 2021                  |                                      |                          | 2020                  |                                      |                          |
|--|-----------------------|--------------------------------------|--------------------------|-----------------------|--------------------------------------|--------------------------|
|  | Debtor/<br>(Creditor) | Interest<br>payable/<br>(receivable) | Purchases/<br>(turnover) | Debtor/<br>(Creditor) | Interest<br>Payable/<br>(receivable) | Purchases/<br>(turnover) |
|  | €'m                   | €'m                                  | €'m                      | €'m                   | €'m                                  | €'m                      |
| <b>Entities with control, joint control or significant influence over the entity</b> |                       |                                      |                          |                       |                                      |                          |
| SCJ NL Holdings B.V.   | (6.4)                 | -                                    | -                        | 24.8                  | (0.2)                                | -                        |
| <b>Other related parties</b>   |                       |                                      |                          |                       |                                      |                          |
| S.C. Johnson & Son Sdn. Bhd (Malaysia)   | 0.8                   | -                                    | (3.2)                    | 0.9                   | -                                    | (1.7)                    |
| SC Johnson Limited   | (0.1)                 | -                                    | 0.1                      | -                     | -                                    | -                        |
| SCJ Eurofine Limited   | 0.5                   | -                                    | (0.5)                    | -                     | -                                    | -                        |
| SCJ Profession Limited   | 0.4                   | -                                    | -                        | -                     | -                                    | -                        |
| S. C Johnson & Son, Inc.   | -                     | -                                    | (1.3)                    | 0.1                   | -                                    | (0.1)                    |
| SC Johnson Europe Sarl   | (0.1)                 | -                                    | 0.1                      | -                     | -                                    | -                        |
| DEB IP Limited   | 1.5                   | -                                    | -                        | -                     | -                                    | -                        |
| Method Products PBC  | (5.4)                 | -                                    | 3.2                      | (2.0)                 | -                                    | 6.8                      |
| Method Products UK Ltd   | 5.6                   | -                                    | (34.8)                   | 7.5                   | -                                    | (31.9)                   |
| <b>Total</b>   | <b>(3.2)</b>          | <b>-</b>                             | <b>(36.4)</b>            | <b>31.3</b>           | <b>(0.2)</b>                         | <b>(26.9)</b>            |

SC. Johnson & Son, Inc. is the ultimate parent of the Group effective 16 January 2018. Johnson Netherlands Cooperatief UA II is the Group's immediate parent. SCJ NL Holdings B.V. is the immediate parent of the Johnson Netherlands Cooperatief UA II. 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 02 July 2021 is €0.02m (2020: €0.20m). Other intercompany balances are short term in nature.

During the period ended 02 July 2021, Method Products PBC charged the Group €0.1m (2020: €2.8m) for management fees and net royalties of €3.1m (2020: €2.6m).

During the period ended 02 July 2021, the group received royalty income from S.C. Johnson & Son, Inc of €1.3m (2020: €0.1m).

During the period ending 02 July 2021, the Group had trade turnover of €24.3m (2020: €23.0m) with Method Product UK Ltd and charged management fees of €10.5m (2020: €8.9m).

### 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 02 July 2021, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2020: nil).

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

## 24. FINANCIAL INSTRUMENTS

|   | 2021        | 2020        |
|---|-------------|-------------|
|   | €'m         | €'m         |
| <b>Financial assets measured at amortised cost</b>      |             |             |
| Cash at bank and in hand                                | 15.1        | 11.4        |
| Trade receivables                                       | 17.7        | 17.5        |
| Amounts due from related parties                        | 8.8         | 37.7        |
| Other debtors   | 0.1         | 0.2         |
|   | <b>41.7</b> | <b>66.8</b> |
| <b>Financial liabilities measured at amortised cost</b> |             |             |
| Trade creditors   | 10.4        | 12.8        |
| Amounts owed to related parties                         | 12.0        | 7.3         |
| Accruals  | 15.0        | 12.7        |
| Other creditors   | 2.1         | 3.9         |
|   | <b>39.5</b> | <b>36.7</b> |

At 02 July 2021 the notional principal amount of outstanding foreign exchange forward contracts totalled €23,500,000 (2020: €9,000,000), which all expire by 16th June 2022. At 02 July 2021 the foreign exchange forward contracts had an aggregate fair value receivable of €407,490 (2020: payable of €248,258) and is included in debtors/(creditors) due within one year respectively. A fair value gain of €407,490 (2020: loss of 248,258) has been recognised in the consolidated statement of comprehensive income as an increase of foreign exchange gain. Realised gain of €1,306,144 (2020: loss €397,933) on settlement of contracts entered into and settled during the period ended 02 July 2021 have been recognised in the consolidated statement of comprehensive income as an increase of foreign exchange gain.

The Group determined 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 02 July 2021.

## 25. CONTINGENT LIABILITIES AND GUARENTEES

The Group has no contingent liabilities or guarantees as at 02 July 2021 (2020 : Nil).

## 26. POST BALANCE SHEET EVENTS

On 4 February 2022, Ecover Limited acquired 100% of assets and liabilities in Method Products Limited at net book value, an intra-group company with a net liability of £0.2m. On 3 March 2022, The Company acquired 100% of shares of People Against Dirty UK Limited for £4.3m from Ecover Co-ordination Center BV, an intra-group company with a net liability of £0.6m. Both transactions are made to restructure the wider S.C. Johnson group.

## 27. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 2 July 2021, the Group was a wholly owned by S.C. Johnson, Netherlands II Cooperatief U.A., a company incorporated in the Netherlands. SC 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 II Cooperatief U.A. purchased all of the equity shares of the Group holding company on 16 January 2018.

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**  
**PARENT COMPANY BALANCE SHEET**  
**AS AT 02 JULY, 2021**

PAGE 46

|   |       | 02 July 2021  | 03 July 2020  |
|---|-------|---------------|---------------|
|   | Notes | £'m           | £'m           |
| <b>Non-current assets</b>                             |       |               |               |
| Intangible assets                                     | 4     | 12.3          | 12.9          |
| Tangible assets                                       | 5     | 0.4           | -             |
| Investment in subsidiary undertakings                 | 6     | 35.5          | 47.8          |
| Debtors: Amounts falling due after more than one year | 7     | 1.9           | -             |
|   |       | <b>50.1</b>   | <b>60.7</b>   |
| <b>Current Assets</b>                                 |       |               |               |
| Debtors: amounts falling due within one year          | 8     | 19.2          | 37.7          |
| Cash at bank and in hand                              |       | 1.9           | 2.3           |
|   |       | <b>21.1</b>   | <b>40.0</b>   |
| <b>Creditors: amounts falling due within one year</b> | 9     | <b>(33.1)</b> | <b>(37.1)</b> |
| <b>Net current (liabilities)/asset</b>                |       | <b>(12.0)</b> | <b>2.9</b>    |
| <b>NET ASSETS</b>                                     |       | <b>38.1</b>   | <b>63.6</b>   |
| <b>Capital and reserves</b>                           |       |               |               |
| Called up share capital                               | 10    | -             | -             |
| Retained earnings                                     |       | 38.1          | 63.6          |
| <b>TOTAL EQUITY</b>                                   |       | <b>38.1</b>   | <b>63.6</b>   |

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 profit after tax was £2.6m (2020: loss of £5.0m).

Approved by the board of directors and authorised for issue by:



Jeff Bezzo – Director

3/28/2022

Date

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**  
**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 02 JULY 2021**

PAGE 47

|   | Called up<br>Share capital | Retained<br>Earnings | Total Equity |
|---|----------------------------|----------------------|--------------|
|   | £'m                        | £'m                  | £'m          |
| <b>Balance as at 30 June 2019</b>         | -                          | <b>68.6</b>          | <b>68.6</b>  |
| Loss for the period                       | -                          | (5.0)                | (5.0)        |
| Total comprehensive loss for the period   | -                          | (5.0)                | (5.0)        |
| <b>Balance as at 03 July 2020</b>         | -                          | <b>63.6</b>          | <b>63.6</b>  |
| Profit for the period                     | -                          | 2.6                  | 2.6          |
| Total comprehensive income for the period | -                          | 2.6                  | 2.6          |
| Dividends paid                            |                            | (28.1)               | (28.1)       |
| <b>Balance as at 02 July 2021</b>         | -                          | <b>38.1</b>          | <b>38.1</b>  |

## 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 ending 02 July 2021 and 03 July 2020. 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 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.

## 2. DIRECTORS' REMUNERATION

Details of Directors' remuneration, including that of the highest paid Director, are set out in note 7 to the consolidated financial statements.

## 3. AUDITORS' REMUNERATION

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

The notes on pages 49 to 54 form an integral part of these financial statements



**4. INTANGIBLE ASSETS**

|                           | <b>Trademarks and<br/>licences</b> |
|---------------------------|------------------------------------|
|                           | <b>£'m</b>                         |
| <b>Cost</b>               |                                    |
| As at 04 July 2020        | 15.5                               |
| <b>As at 02 July 2021</b> | <b>15.5</b>                        |
| <b>Amortisation</b>       |                                    |
| As at 04 July 2020        | 2.6                                |
| Charge for the period     | 0.6                                |
| <b>At 02 July 2021</b>    | <b>3.2</b>                         |
| Net book value            |                                    |
| <b>At 02 July 2021</b>    | <b>12.3</b>                        |
| <b>At 04 July 2020</b>    | <b>12.9</b>                        |

**5. TANGIBLE ASSETS**

|                           | <b>Assets under<br/>construction</b> |
|---------------------------|--------------------------------------|
|                           | <b>£'m</b>                           |
| <b>Cost</b>               |                                      |
| As at 04 July 2020        | -                                    |
| Additions                 | 0.4                                  |
| <b>As at 02 July 2021</b> | <b>0.4</b>                           |
| <b>Amortisation</b>       |                                      |
| As at 04 July 2020        | -                                    |
| Charge for the period     | -                                    |
| <b>At 02 July 2021</b>    | <b>-</b>                             |
| Net book value            |                                      |
| At 04 July 2020           | -                                    |
| <b>At 02 July 2021</b>    | <b>0.4</b>                           |

**6. INVESTMENTS**

|  | £'m         |
|--|-------------|
| <b>At cost less impairment</b>                         |             |
| <b>As at 04 July 2020</b>                              | <b>47.8</b> |
| Return of investment in Ecover Co-ordination Centre NV | (12.3)      |
| <b>At 02 July 2021</b>                                 | <b>35.5</b> |

In 2021, Ecover coordination centre NV issued dividends amounting £12.3m to the Parent Company reflective of a return of investment leading to a diminution in value of the carrying amount.

**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:

| <b>Name</b>                              | <b>Country of incorporation</b> | <b>Nature of Business</b> | <b>Holding – Ordinary Shares</b> |
|--|---------------------------------|---------------------------|----------------------------------|
| <b>Subsidiary undertakings</b>           |                                 |                           |                                  |
| Ecover Co-ordination Centre NV           | Belgium                         | Regional HQ               | 100%                             |
| <b>Held by a subsidiary undertakings</b> |                                 |                           |                                  |
| Ecover Belgium NV                        | Belgium                         | Sales                     | 100%                             |
| Ecover Deutschland GmbH                  | Germany                         | Sales                     | 100%                             |
| Ecover France SAS                        | France                          | Sales                     | 100%                             |
| Ecover India Limited                     | India                           | Dormant                   | 100%                             |
| Ecover UK Limited                        | UK                              | Sales                     | 100%                             |
| EPC NV                                   | Belgium                         | Manufacturing             | 100%                             |
| Ecover Research & Consultancy NV ("ERC") | Belgium                         | Property Holding          | 100%                             |
| Held AG                                  | Switzerland                     | Sales                     | 100%                             |
| People Against Dirty UK Limited          | UK                              | Regional HQ               | 100%                             |

**PEOPLE AGAINST DIRTY HOLDINGS LIMITED**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED) PAGE 51

**6. INVESTMENTS (CONTINUED)**

The registered addresses of subsidiary entities are as follows:

| <b>Name</b>                              | <b>Registered addresses</b>   |
|--|---|
| Ecover UK Limited                        | 1 Eton Street, Richmond, London TW9 1EF   |
| People Against Dirty UK Limited          | 1 Eton Street, Richmond, London TW9 1EF   |
| Held AG                                  | Aumattweg 66,<br>3613 Steffisburg, Switzerland  |
| Ecover India Limited                     | N2 Lower Ground Floor, Malviya Nagar, New Delhi -<br>11017, India                                   |
| Ecover Deutschland GmbH                  | Stammheimer Straße 41, 70435 Stuttgart, Germany   |
| Ecover France SAS                        | Parc Paysager d'Activités de Landacres, Boulevard<br>de Strasbourg, F - 62360 Hesdin l'Abbe, France |
| Ecover Belgium NV                        | Steenovenstraat 1A, 2390 Malle, Belgium   |
| Ecover Co-ordination Centre NV           | Steenovenstraat 1A, 2390 Malle, Belgium   |
| EPC NV                                   | Industrieweg 3,<br>2390 Malle, Belgium  |
| Ecover Research & Consultancy NV ("ERC") | Industrieweg 3, 2390 Malle, Belgium   |

**7. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
| <b>Debtors receivable in more than one year</b> | <b>£'m</b>  | <b>£'m</b>  |
| Deferred tax assets (note 12)                   | <b>1.9</b>  | -           |

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
|   | <b>£'m</b>  | <b>£'m</b>  |
| Prepayment and accrued income                                       | 0.1         | -           |
| Short term receivables from subsidiary companies                    | 19.1        | 21.5        |
| Loans to subsidiaries of ultimate parent company                    | -           | 15.8        |
| Short term receivables from subsidiaries of ultimate parent company | -           | 0.4         |
|   | <b>19.2</b> | <b>37.7</b> |

Loans are provided to subsidiaries of the SCJ Group companies as follows:

| <b>Counterparty</b>                | <b>2021</b> | <b>2020</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>£'m</b>  | <b>£'m</b>  |
| Johnson Netherlands Cooperatief UA | -           | 0.8         |
| SCJ NL Holdings B.V                | -           | 15.0        |

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>£'m</b>  | <b>£'m</b>  |
| <b>Creditors payable in less than one year</b>                 |             |             |
| Short term payables to group companies                         | 29.9        | 34.7        |
| Short term payables to subsidiaries of ultimate parent company | 1.2         | 1.6         |
| Accruals   | 0.8         | 0.2         |
| VAT Payable  | 1.2         | 0.6         |
|  | <b>33.1</b> | <b>37.1</b> |

There are no loan notes receivable on demand.

**10. SHARE CAPITAL**

| <b>Share Capital</b>       | <b>£'000</b> |
|----------------------------|--------------|
| At 01 January 2018         | 156,698      |
| <b>At 04 July 2020</b>     | <b>0.0</b>   |
| Repayment of share capital | -            |
| <b>At 02 July 2021</b>     | <b>0.0</b>   |

On September 27, 2018, based upon a plan approved by S.C. Johnson, PAD Holdings repaid share capital of £156.7m to its shareholder. This transaction resulted in the cancellation of 156,697,707 of the 156,697,807 ordinary shares of £1.00 each that were originally authorised, allotted and issued at par during prior years. There is a single class of share capital (see also Group note 19).

**11. FINANCIAL INSTRUMENTS**

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
|   | <b>£'m</b>  | <b>£'m</b>  |
| <b>Financial assets measured at amortised cost</b>      |             |             |
| Cash at bank and in hand                                | 1.9         | 2.3         |
| Amounts owed by related parties                         | 19.1        | 37.7        |
|   | <b>21.0</b> | <b>40.0</b> |
| <b>Financial liabilities measured at amortised cost</b> |             |             |
| Amounts owed to related parties                         | 31.1        | 36.3        |
| Other creditors   | 2.0         | 0.8         |
|   | <b>33.1</b> | <b>37.1</b> |

**12. DEFERRED TAX**

|                                   | <b>2021</b> | <b>2020</b> |
|-----------------------------------|-------------|-------------|
|                                   | <b>£'m</b>  | <b>£'m</b>  |
| <b>Deferred tax assets:</b>       |             |             |
| Opening deferred tax asset        | -           | -           |
| Losses surrendered to group       | (2.0)       | -           |
| Carried forward losses            | 3.9         | -           |
| <b>Closing deferred tax asset</b> | <b>1.9</b>  | <b>-</b>    |
| <b>Comprising:</b>                |             |             |
| Tax losses                        | 1.9         | -           |
| <b>Total</b>                      | <b>1.9</b>  | <b>-</b>    |

Tax losses not recognised for deferred tax are £21.8m (2020: £30.1m) which at the future tax rate of 25% (PY:19%) leads to an unrecognised deferred tax asset of £5.5m (2020: £5.7m).

**13. POST BALANCE SHEET EVENTS**

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