

Registered No. 05183743

Ella's Kitchen (Brands) Limited

Annual Report and Financial Statements

For the year ended 30 June 2020



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Company information

for the year ended 30 June 2020

Directors

MNJ Cuddigan

JM Langrock Resigned 2 December 2019

ML Schiller

JH Idrovo Appointed 2 December 2019

Secretary

N Keen

Auditors

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

Registered Office

Ella's Barn

22 Greys Green Farm

Rotherfield Greys

Henley-on-Thames

Oxfordshire

United Kingdom

RG9 4QG

Strategic report

for the year ended 30 June 2020

The directors present their strategic report for the year ended 30 June 2020.

REVIEW OF THE BUSINESS

The company's principal activities during the period continued to be the manufacture and sale of organic baby food in the UK and internationally. Sales are made direct to retailer or via distributors, depending on the market.

In our 14th year we continued to deliver profitable sales growth in our core UK market, through increased distribution and product portfolio. International sales on the other hand have decreased due to the transfer of certain markets to other companies within the Hain Celestial Group alongside strong price competition in a number of markets.

The key performance indicators for the year were as follows:

	2020	2019	Change %
Revenue	£71,560,120	£ 73,438,444	-2.6
Gross Profit	£26,553,670	£ 26,842,163	-1.1
Operating profit	£11,016,527	£ 11,091,699	-0.7
Customer complaints per million TTTP*s	7.12	8.09	-12.0
Net Promoter Score**	76.0	81.1	-6.3

* TTTP is a portion of food for an infant or equivalent for non-food items.

**Net Promoter or Net Promoter Score (NPS) is a management tool we use to measure employee engagement.

Revenue decreased by 2.6% over the previous year with UK sales increasing by 0.5% and international sales decreasing by 14.1% (all international markets excluding the US and Canada). Sales of Ella's Kitchen products in the US and Canada are made through The Hain Celestial Group, Inc.

CORPORATE GOVERNANCE STATEMENT – s172(1) Companies Act 2006

At Ella's Kitchen we are super proud to be a certified B Corp. B Corps are businesses who meet the highest standards of social and environmental responsibility and the rigorous assessment is proof that we are walking the walk, not just talking the talk.

Becoming a B Corp makes a business legally required to consider the impact of their decisions on their people, customers, suppliers, community and the environment – rather than simply maximising profit for shareholders. There are lots of amazing benefits to being a B Corp. Like being part of a network of inspiring companies that can share ideas and best practice and being able to team up on campaigns to create more impact. All B Corps are independently certified every 3 years to prove that they are meeting the highest ethical and sustainable standards. We are currently in the process of recertifying.

Naturally as a B Corp, stakeholder engagement is essential to our business, we have identified our key stakeholders below and explained how they have shaped our actions and the strategic direction of Ella's Kitchen.

Strategic report (continued)

for the year ended 30 June 2020

CORPORATE GOVERNANCE STATEMENT – s172(1) Companies Act 2006 (continued)

Our People

People are at the heart of our business' success. We want to nurture and develop a happy and healthy team; motivated to do their jobs really well, have lots of fun doing it and to help them achieve a great work life blend too. We try to make sure we are one brand inside and out so that all of our people have the same happy, positive experience of Ella's as our consumers.

Our values are at the heart of Ella's Kitchen, it's how we recruit newbies, it's how we judge and reward success, it's how we make our decisions and it's how we make sure Ella's Kitchen is always a super fun and rewarding place to work! Our values are: We Want to Win, We're Business Minded, We Think Differently, We're Good to Each Other and We're Childlike.

We believe that if we're all aligned towards a clear direction, grounded in the stuff we're passionate about, then our team will thrive; free to deliver amazing results and feel rewarded doing it. To keep us close to our mission, everyone at Ella's has the opportunity to volunteer at local charities that are related to our Mission.

We strongly believe in enabling a culture of leadership at Ella's Kitchen. We don't believe that leadership is something which is defined by your job title. Leaders at Ella's role model our values and support their team.

We believe that encouraging autonomy enables people to grow and develop and to feel fulfilled. It helps us create a sustainable business where contribution and responsibility are spread across the whole team rather than control being held by the few.

We invest in people to do their jobs well, achieve their potential, and make a difference. Everyone has a development money pot which is spent in line with their personal development plan. We love to promote from within where we can.

We look after our people with a full wellbeing calendar and a team of mental health first aiders who are on hand to help. We encourage our team to bring their whole selves to work and to create a balanced work life blend.

We aim to nurture a diverse and inclusive environment where diversity of thought is encouraged. Having great managers and leaders is really important at Ella's. People are more likely to stay happy and fulfilled in their jobs if they have a great manager and we continually train and develop our leaders and managers to help them do their jobs well.

The directors work very closely with the teams, promoting a culture of autonomy and feedback, encouraging everyone in the business to achieve their full potential.

We have been named as one of the Sunday Times' Best Small Companies to work for the fifth year running and our most recent employee Net Promoter score is 76%.

Our Consumers

At the heart of Ella's Kitchen is our mission to improve children's lives through developing healthy relationships with food.

Strategic report (continued)

for the year ended 30 June 2020

CORPORATE GOVERNANCE STATEMENT – s172(1) Companies Act 2006 (continued)

Our Consumers (continued)

When we develop our yummy recipes, we always make sure they're just right for tiny tummies. That means we only use the best quality, ethically and sustainably sourced ingredients, and you'll only find good stuff in our products.

Beyond that, we'll always strive to be the voice for the under-fives, as this is the age when relationships with food – either good or bad – are formed. We promise to campaign and lobby on issues related to Our Mission and we'll always go the extra mile to make sure parents and carers have all the help they need for their little ones to grow up with happy, healthy relationships with food.

Some specific examples of how we engage with our consumers are:

- Prioritising and promoting sensory food education as being a key way to ensure little ones have a healthy relationship with food.
- Development of our online hub 'Weanursery' which aims to support parents along every step of their weaning journeys
- Welcoming regular feedback and promoting peer to peer support with the development of our Facebook Group – the Weeny Weaning Group
- Inspiring our consumers by providing tips and guidance via exceptional content delivered through social media and eCRM

Some of the most important priorities to our consumers are:

- Quality, great tasting products
- A huge variety of products suitable for all ages and stages
- Innovative new products which stretch little taste buds and help with fine motor skills
- Supportive customer care team who take pride in understanding and supporting them
- Our commitment to the environment and being a business that operates with a purpose beyond profit alone

The directors receive regular updates in relation to our consumers, including feedback from consumer surveys and consumer insight projects, with this information being used to inform key business decisions. In addition, consumer happiness is a key non-financial performance indicator and is regularly monitored within the business.

Our Partners (Customers and Suppliers)

We believe strongly in the value of partnerships and work closely with a wide range of suppliers, distributors and retailers who play a vital role in our continued success. We believe it is important that we build relationships that are mutually beneficial when it comes to delivering our joint goals. We also believe that our partners should try to make a positive impact on the wider world and so we aim to lead and inspire all of them to either promote B Corp, or in some cases to become one, as some have already.

We always live our values when working with our partners and aim to build strong commercial relationships with our partners through the following practices:

Strategic report (continued)

for the year ended 30 June 2020

CORPORATE GOVERNANCE STATEMENT – s172(1) Companies Act 2006 (continued)

Our Partners (Customers and Suppliers) (continued)

- Ongoing collaboration with our manufacturing partners when it comes to product development, sourcing of materials and ingredients and new manufacturing technologies
- Ongoing collaboration with our distributors and retailers when it comes to building strategically aligned joint business plans that deliver sustainable growth
- We always strive to develop and deliver products that deliver against our mission, meet a consumer need, and therefore help the category to grow sustainably for the long term.

Some of the most important priorities for our partners are:

- Open, honest, and timely discussions on all areas of our joint business
- Sustainable sales growth which drives benefits for manufacturers or share for our distributors and retailers
- Our category expertise which helps grow the whole category, not just our sales
- Easy access to relevant decision makers across the whole of Ella's
- Our commitment to the environment and being a business that operates with a purpose beyond profit alone

The directors receive regular updates in relation to our partners and have invested time and energy to understand the impact to our partners of key decisions and principal uncertainties, such as the risks related to Brexit and Covid-19.

Our Community

Supporting our community is very important to us and is indeed central to our mission to improve children's lives through developing healthy relationships with food. We believe that more can be done to help little ones grow up with a healthy relationship with food and as the UK's number 1 baby food brand, we strive to be a pioneering voice on early childhood nutrition.

Throughout 2020, we continued our work around promoting the relationship between food and little ones through sensory development. To this end, we have partnered with Flavour School to support academic research in partnership with the University of Leeds around sensory food education, which we expect to publish in 2021. In December 2019, we also hosted our Veg Roundtable, which brought together leaders in industry, academia and government to talk about the importance of working together to get more little ones eating vegetables.

We have also continued to deliver Our Mission locally through our Ella's Explorers on the Farm programme which supports little ones from nurseries and primary schools in Reading and West Berkshire to learn all about healthy food in a fun way by exploring a farm and market garden. Children get to spend the day meeting the cows, lambs and chickens and exploring a market garden where they have the chance to dig for worms, eat seasonal fruit and veg and plant seeds to take home. This year, we reached a milestone and celebrated over 10,000 children going on Ella's farm trips.

At Christmas in 2019 we continued our partnership with UK foodbank charity FareShare, donating over 100,000 meals for UK families affected by food poverty.

Strategic report (continued)

for the year ended 30 June 2020

CORPORATE GOVERNANCE STATEMENT – s172(1) Companies Act 2006 (continued)

Our Community (continued)

2020 has been a year that we could not have planned for. The global pandemic uprooted many of our plans and we shifted our focus to ensure that we were helping where we could and supporting those in need throughout these unprecedented times. We re-doubled our efforts when the pandemic hit and focused on supporting foodbanks, donating over 100,000 products and supported the distribution of baby boxes to families and babies most in need. As the pandemic continues, we will continue to provide support to our charity partners and help the most vulnerable get access to our products.

The directors receive regular updates in relation to our work in the community and consider the impact on communities when making key decisions.

Environment

Our Dream is our plan to make sure we do business in the right way - ethically and sustainably. Following a materiality assessment in 2018 we published our first Good Stuff We Do report (social and environmental impact report). Our Dream covers 5 pillars where we believe we have the biggest opportunity to effect change and support our people and the planet. Across the 5 pillars - Packaging, Planet, People, Ingredients and Being the Change - we have 20 targets for 2024.

As part of Our Dream we are committed to taking action against Climate Change and we are working to measure, reduce and mitigate our carbon footprint across our value chain. As part of this we have made the commitment to become Net Zero by 2030 at COP-25 alongside over 500 other B Corps. We know this is not enough though, and so we continue to be committed to our partnership with Trees for Life to offset the emissions from our head office by planting 2,000 trees to help rewild the Scottish Highlands. We have also launched a new partnership with World Land Trust to protect the environment from being destroyed.

Ella's Kitchen continues to be committed to making sure that none of our packaging goes to landfill and has been exploring lots of different options to make that happen. As part of our commitment to The UK Plastics Pact we know that more needs to be done and this requires collaboration across industry and government. As part of our collaborative efforts, this year we partnered with Danone and TerraCycle to launch the extension of our EllaCycle scheme which has seen 90% year on year growth. The Kids Food Pouch Recycling Programme will launch with approximately 500 public drop off points around the UK – run by community recycling champions. The programme will offer parents and carers a nationwide recycling solution for all baby food and yogurt pouches, as any brand of pouch will be accepted. In addition to this, we have also partnered with Suez and other leading consumer goods brands to form the Flexible Packaging Consortium to take action on flexible packaging.

We are an active member of the B Corp community. Ella's Kitchen partnered with B Lab UK to develop a bespoke version of their Business Impact Assessment (BIA). Our 'B the Change' survey gathers social and environmental data from our partners and allows us to work together to improve our performance. As a result of this engagement a number of our partners are exploring full B Corp certification. In recognition of our efforts, we received the Best for the World – Changemaker award by B Lab UK. We are also proud to have won an Edie award for Supply Chain Excellence for work to inspire our partners to improve their environmental and social performance using the B Corp framework.

The directors receive regular updates in relation to how we are performing in relation to Our Dream and our sustainability commitments and always consider the impact on the environment when making key decisions.

Strategic report (continued)

for the year ended 30 June 2020

CORPORATE GOVERNANCE STATEMENT – s172(1) Companies Act 2006 (continued)

Key decisions made in the year

The Directors define 'key decisions' as decisions and discussions which are material or strategic to Ella's Kitchen, and those that are significant to any of our stakeholder groups. The directors consider the following to be key decisions made during the year ended 30 June 2020:

Intercompany

At the beginning of the year the decision was made to transfer certain specific international distribution routes to other companies within the Hain Celestial Group. This decision was made to take maximum advantage of distribution networks and local resources already in place within the wider group and to maximise future growth opportunities.

Dividend payment

A dividend payment of £18,159,819 was paid to Ella's Kitchen Group Ltd during the year. This dividend was paid in order to transfer distributable profits to The Hain Celestial Group Inc.

Net Zero

In December 2019 at COP-25, alongside over 500 other B Corps, Ella's Kitchen made a commitment to achieve Net Zero carbon emissions by 2030. This decision was made as part of Ella's Kitchen's ongoing commitment to protecting the environment and reflects the B Corp pledge made by the company to prioritise People, Planet and Profit on an equal basis.

Covid-19

In response to the Covid-19 pandemic the directors' primary concern was and will continue to be the safety and wellbeing of all employees. The directors responded to the outbreak of the pandemic by assembling a responsive strategic team, who continuously monitored the situation and advised on ongoing developments enabling the directors to make strategically important decisions on a timely basis throughout the pandemic, including; optimising supply chain operations to prioritise continuity of supply, working with customers to respond to fluctuating demand, donating over 100,000 products to national foodbanks, whilst prioritising employee welfare at all times.

PRINCIPAL RISKS & UNCERTAINTIES

Ella's Kitchen operates in many highly competitive grocery markets around the world. Competitive threats come from other branded baby food companies as well as own label products. Own label brands remain strong in several international markets and we have seen the launch of several UK retailer Own Label ranges which has impacted the UK baby food market. We mitigate the risk of increased Own Label participation in all markets by investing in our innovation pipeline, bringing new products to market and maintaining strong relationships with our customers.

Despite these market challenges, Ella's Kitchen increased market share in the UK during the year, outperforming the market and growing its share of total ambient baby food by 1.27% pts to 29.63% in the 52 weeks ended 30th June 2020. This share number includes both wet baby and snacking products. Growth in wet baby food has been achieved through additional distribution and new product development. We have

Strategic report (continued)

for the year ended 30 June 2020

continued to develop our baby and toddler snacking ranges. Share in this category grew by 1.71% pts to 13.44% in the year.

Operating in the organic baby food market, we are subject to very stringent regulations covering raw material supply, packaging, finished product, labelling and marketing claims amongst other areas. To maintain our brand reputation and customer confidence it is important that we meet these regulations; delivering high quality products consistently. Failure to do so may result in litigation or legal proceedings which would expose the company both financially and have a negative impact to our brand.

We have created a highly skilled internal technical team and established relationships with external bodies, such as our local enforcement authority, to ensure that all aspects of our finished products are compliant with relevant laws and regulations and meet our consumers' expectations.

With customers and suppliers in countries outside of the UK, exposure to foreign exchange movements is a key risk for the company. A significant proportion of the company's cost of sales is denominated in Euros or US dollars, while most sales are made in sterling. When considered appropriate by management, Ella's Kitchen uses foreign exchange forward contracts to reduce exposure to the variability of future exchange rate movements and has a strategic focus on increasing exports into Europe to enhance the Euro revenue stream.

In the short and medium term the company faces additional risks related to Brexit and the resulting legal, regulatory and economic uncertainty. Ella's Kitchen may be faced with additional foreign exchange volatility, regulatory changes and customs restrictions or tariffs. The Directors have invested time and energy in understanding the risks for the business and putting in place risk mitigation where possible. They will continue to monitor the actions of the UK Government and the EU carefully to make the best decisions about the ongoing supply chain for the business.

In the short and medium term the company also faces additional risks related to the Covid-19 pandemic and the resulting uncertainty this brings in a number of areas. The key risks facing the Company are; supply chain disruption, delays to new product development cycles, the impact of social distancing on changing consumer behaviours and the impact of a recession on the baby food sector of the market. Whilst the situation is constantly evolving, the Directors are confident that the Company's trading performance during the pandemic and financial forecasts that incorporate the aforementioned risks both indicate that the Company will continue to perform well despite the difficult market conditions.

The Directors have a shared sense of passion and excitement for the future of Ella's Kitchen, with both entry into new markets and innovative new products on the horizon. We are confident in our ability to exceed ever-changing consumer expectations - delivering the healthier food they desire and being a business that operates with a purpose beyond profit alone.

ON BEHALF OF THE BOARD



Mr MNJ Cuddigan – Director

Date: 25/05/2021

Directors' report

for the year ended 30 June 2020

The directors present their report and financial statements for the year ended 30 June 2020.

RESULTS AND DIVIDENDS

The results for the company are set out in the primary financial statements (pages 16-18). A dividend amount of £18,159,819 was paid during the year.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company was that of manufacture and distribution of children's and baby food.

DIRECTORS

The directors who served the company throughout the year were as follows:

MNJ Cuddigan
JM Langrock Resigned 2 December 2019
ML Schiller
JH Idrovo Appointed 2 December 2019

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

2020 STREAMLINED ENERGY AND CARBON REPORTING

At Ella's Kitchen we recognise our responsibility to minimise our impact on the natural environment and we are committed to taking action on Climate Change. We are working to measure, reduce and mitigate our carbon footprint across our value chain. As part of this, we have made the commitment to become Net Zero by 2030 at COP-25 alongside over 500 other B Corps.

This statement has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting.

Methodology

We quantify and report our organisational GHG emissions in alignment with the World Resource Institute Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance. We consolidate our organisational boundary according to the operational control approach. We have adopted a materiality threshold of 5% for GHG reporting purposes. The GHG sources that constituted our operational boundary for the year are:

- Scope 1: Fuel oil
- Scope 2: Electricity
- Scope 3: Rental cars and reimbursed mileage

In some cases, where data is missing, values have been estimated using either extrapolation of available data, or data from the previous year as a proxy.

Directors' report (continued)

for the year ended 30 June 2020

The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ("dual reporting"): (i) the location-based method, using average emissions factors for the country in which the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured.

Greenhouse gas emissions

During the reporting period 01 July 2019 – 30 June 2020, our Scope 1 and 2 emissions (location-based) totalled 43.1 tCO₂e and our Scope 3 (business travel) emissions totalled 107.9 tCO₂e. This comprised:

	GHG Source	Total Emissions
Scope 1	Combustion of fuel and operation of facilities	29.0 tCO ₂ e
Scope 2	Electricity, location-based	14.0 tCO ₂ e
Scope 2	Electricity, market-based	1.2 tCO ₂ e
Total Scope 1 and 2	tCO ₂ e, location-based	43.1 tCO ₂ e
Total Scope 1 and 2	tCO ₂ e, market-based	30.2 tCO ₂ e
Scope 3	Business travel	107.9 tCO ₂ e
Energy consumption	MWh	169 MWh
tCO ₂ e per FTE employee	Scope 1 & 2, location-based	0.6 tCO ₂ e
tCO ₂ e per Sq Ft Floor Area	Scope 1 & 2, location-based	0.01 tCO ₂ e
tCO ₂ e per FTE employee	Scope 1 & 2, market-based	0.4 tCO ₂ e
tCO ₂ e per Sq Ft Floor Area	Scope 1 & 2, market-based	0.00 tCO ₂ e

During the year, the total fuel and electricity consumption totalled 169 MWh, of which 100% was consumed in the UK. The split between fuel and electricity consumption is displayed below:

Energy consumption (kWh)	Total MWH Consumption
Electricity - Location-based	60
Fuel Oil	109
Total	169

Alongside our commitment to become Net Zero by 2030, we continue to be committed to our partnership with Trees for Life to offset the emissions from our head office, by planting 2,000 trees to help rewild the Scottish Highlands.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, its financial position, its financial risk management objectives, details of its financial instruments and its exposure to competitive, credit and foreign currency risk are described in the business review on page 3.

In specific reference to the Covid-19 pandemic; the Directors' primary concern has been and will continue to be the safety and wellbeing of all employees. The Directors have a responsive strategic team in place who are continuously monitoring the situation and whilst the situation is constantly evolving, the Directors

Directors' report (continued)

for the year ended 30 June 2020

are confident that the Company's trading performance during the pandemic and financial forecasts that incorporate the impact of the pandemic on the business both indicate that the Company will continue to perform well despite difficult market conditions. Cashflow forecasts have been prepared with identified key assumptions, which have also been sensitised, continuing to result in positive cash throughout.

The company has considerable financial resources and as a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

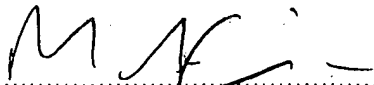
The directors are responsible for preparing the Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD



Mr MNJ Cuddigan – Director

Date: 25/05/2021

Independent auditor's report

to the members of Ella's Kitchen (Brands) Limited

Opinion

We have audited the financial statements of Ella's Kitchen (Brands) Limited for the year ended 30 June 2020 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 22, 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 company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

to the members of Ella's Kitchen (Brands) Limited

Other information

The other information comprises the information included in the annual report (set out on pages 3 to 8) other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

to the members of Ella's Kitchen (Brands) Limited

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.

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.

Ernst & Young LLP

.....
Joanne Mason (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

Date: 26 May 2021

Statement of Total Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 £	2019 £
Revenue	2	71,560,120	73,438,444
Cost of sales		(45,006,450)	(46,596,281)
Gross Profit		26,553,670	26,842,163
Administrative expenses		(15,563,096)	(15,775,284)
Other operating income		25,953	24,820
Operating profit	5	11,016,527	11,091,699
Interest receivable and similar income	6	763,647	394,410
Interest payable and similar charges	7	(346,970)	(299,739)
Profit on ordinary activities before taxation		11,433,204	11,186,370
Tax on profit on ordinary activities	8	(2,220,722)	(2,202,319)
Profit for the financial year		9,212,482	8,984,051
Other comprehensive income			
Derivative cash flow hedges, net of tax		(4,080)	53,380
Reclassified from hedging reserve		-	-
Total comprehensive income for the financial year		9,208,402	9,037,431

Continuing Operations

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 19 to 32 form part of these financial statements.

Statement of Financial Position

as at 30 June 2020

Registered No. 05183743

		2020 £	2019 £
Non-current assets			
Tangible assets	9	102,309	125,237
Intangible assets	10	71,468	67,564
		<u>173,777</u>	<u>192,801</u>
Current assets			
Inventories	11	6,077,190	5,253,461
Trade and other receivables:			
Amounts falling due within one year	12	33,623,148	43,007,736
Amounts falling due after one year	12	43,439	43,439
Cash at bank and in hand		1,551,578	2,495,515
Deferred tax asset	15	43,206	35,998
		<u>41,338,561</u>	<u>50,836,149</u>
Trade and other payables: amounts falling due within one year	13	(21,570,001)	(22,624,045)
		<u>19,768,560</u>	<u>28,212,104</u>
Net current assets			
		<u>19,942,337</u>	<u>28,404,905</u>
Net assets			
		<u>19,942,337</u>	<u>28,404,905</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	18	19,942,237	28,404,805
		<u>19,942,337</u>	<u>28,404,905</u>
Total equity	22	<u>19,942,337</u>	<u>28,404,905</u>

The financial statements were approved by the Board of Directors on 25/05/2021 and were signed on its behalf by:



Mr MNJ Cuddigan – Director

The notes on pages 19 to 32 form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2018	100	18,916,060	18,916,160
Profit for the financial year	-	8,984,051	8,984,051
Other comprehensive income for the financial year, net of tax	-	53,380	53,380
Total comprehensive income for the financial year	-	9,037,431	9,037,431
Share-based payment charge	-	451,314	451,314
Balance at 30 June 2019	100	28,404,805	28,404,905
Profit for the financial year	-	9,212,482	9,212,482
Other comprehensive expense for the financial year, net of tax	-	(4,080)	(4,080)
Total comprehensive income for the financial year	-	9,208,402	9,208,402
Share-based payment charge (note 17)	-	488,849	488,849
Dividend paid	-	(18,159,819)	(18,159,819)
Balance at 30 June 2020	100	19,942,237	19,942,337

The notes on pages 19 to 32 form part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2020

1. Accounting policies

1.1 Statement of compliance

Ella's Kitchen (Brands) Limited is a limited liability company incorporated in England. The Registered Office is Ella's Barn, 22 Greys Green Farm, Rotherfield Greys, Henley-on-Thames, Oxfordshire, RG9 4QG.

The company's financial statements have been prepared in compliance with FRS 102 for the year ended 30 June 2020.

The financial statements are prepared in sterling, which is the functional currency of the company.

1.2 Judgements 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. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements that have had the most significant effect on amounts recognised in the financial statements are in relation to the level of provisions held for rebates.

1.3 Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, its financial risk management objectives, details of its financial instruments and its exposure to competitive, credit and foreign currency risk are described in the business review on page 3.

In specific reference to the Covid-19 pandemic; the Directors' primary concern has been and will continue to be the safety and wellbeing of all employees. The Directors have a responsive strategic team in place who are continuously monitoring the situation and whilst the situation is constantly evolving, the Directors are confident that the Company's trading performance during the pandemic and financial forecasts that incorporate the impact of the pandemic on the business both indicate that the Company will continue to perform well despite difficult market conditions. Cashflow forecasts have been prepared with identified key assumptions, which have also been sensitised, continuing to result in positive cash throughout.

The company has considerable financial resources and as a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and financial statements.

1.4 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions under the provisions of FRS 102:

- (i) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) to prepare a reconciliation of the number of equity shares outstanding at the beginning and at the end of the financial year;
- (ii) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to prepare a statement of cash flows;
- (iii) The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated; and
- (iv) From disclosing the company key management personnel compensation, as required by Section 28; and the requirement of Section 33 Related Party Disclosures paragraph 33.9 to disclose related party transactions with other members of the Ella's Kitchen group.

Notes to the financial statements

for the year ended 30 June 2020

1. Accounting policies (continued)

1.5 Revenue recognition

Revenue, which is stated net of value added tax, is defined as the amount invoiced to external customers during the year. This includes gross sales net of trade discounts, customer allowances, returns and promotions. Revenue is recognised at the time that the risks and rewards of ownership of the products are transferred to the customer.

1.6 Tangible fixed assets

Tangible assets are stated at cost or valuation less accumulated depreciation and impairments. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	33% on cost
Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost
Building	-	33% on cost

1.7 Intangible fixed assets

Intangible assets are stated at cost or valuation less accumulated amortisation and impairments. Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer software	-	33% on cost
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1.8 Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in first out (FIFO) basis.

1.9 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the profit and loss account in the line which most appropriately reflects the nature of the item or transaction.

1.10 Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.11 Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Notes to the financial statements

for the year ended 30 June 2020

1. Accounting policies (continued)

1.12 Equity-settled share-based payments

Prior to the acquisition by The Hain Celestial Group, Inc., the company issued equity-settled share-based payments to certain employees. These options were cancelled and settled by Hain as part of the acquisition.

Since acquisition, awards of restricted stock in The Hain Celestial Group, Inc. have been granted to certain employees.

Awards of restricted stock may be either grants of restricted stock or restricted share units that are issued at no cost to the recipient. For restricted stock grants, at the date of grant the recipient has all rights of a stockholder, subject to certain restrictions on transferability and a risk of forfeiture. For restricted share units, legal ownership of the shares is not transferred to the employee until the unit vests.

The fair value of stock-based compensation awards is recognised as an expense over the vesting period using the straight-line method. For awards that contain a market condition, expense is recognized over the defined or derived service period using a Monte Carlo simulation model. Compensation expense is recognised for these awards on a straight-line basis over the service period, regardless of the eventual number of shares that are earned based upon the market condition, provided that each grantee remains an employee at the end of the performance period. Compensation expense on awards that contain a market condition is reversed if at any time during the service period a grantee is no longer an employee.

1.13 Invoice discounting charges

The charges for Confidential Invoice Discounting are charged to the profit and loss account as they are charged by the lender except arrangement fees and transaction costs which are amortised over the term of the agreement.

1.14 Derivative Instruments

The company has exposure to foreign exchange risk to the extent that its purchases are mostly denominated in foreign currency. The company enters into cash flow hedges in order to manage exposure to exchange rate fluctuations in the future.

The effective portion of the hedge is presented in the other comprehensive income (OCI) and any ineffective portion of the hedge is recognised in the income statement immediately. Once the hedging relationship ends, the amount within OCI is recognised in the income statement.

1.15 Deferred Tax

Deferred tax is recognised in respect of all timing differences at the reporting date that are differences between taxable profit and total comprehensive income as stated in the financial statements. These timing differences relate to transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future, which have occurred at the reporting date.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

for the year ended 30 June 2020

2. Revenue

Revenue is attributable to the one principal activity of the company.

An analysis of Revenue by geographical market is given below:

	2020 £	2019 £
United Kingdom	58,272,674	57,964,788
Overseas	13,287,446	15,473,656
	<u>71,560,120</u>	<u>73,438,444</u>

3. Staff Costs

	2020 £	2019 £
Wages and salaries	5,134,631	4,957,508
Social security costs	605,484	631,488
Other pension costs	206,913	179,414
Share-based payment charge (Note 17)	488,849	451,314
	<u>6,435,877</u>	<u>6,219,724</u>

The average monthly number of employees during the year was as follows:

	2020 £	2019 £
Administration	16	14
Operations	63	59
Management	3	2
	<u>82</u>	<u>75</u>

Notes to the financial statements

for the year ended 30 June 2020

4. Directors' Emoluments

	2020 £	2019 £
Directors' remuneration	449,918	458,284
Directors' pension contributions to money purchase schemes	15,450	14,935

The number of directors to whom retirement benefits were accruing was as follows:

Members of money purchase pension schemes	1	1
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The number of directors to whom restricted stock was granted, was as follows:

Numbers of directors granted restricted stock	1	1
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Information regarding the highest paid director is as follows:

	2020 £	2019 £
Remuneration	449,918	458,284
Pension contributions to money purchase schemes	15,450	14,935

Notes to the financial statements

for the year ended 30 June 2020

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Hire of equipment	525	1,747
Operating leases – land & buildings	130,340	130,340
Operating leases – other	3,985	8,664
Depreciation - owned assets	85,021	136,528
Amortisation – intangibles	43,484	54,046
Loss on disposal of fixed assets	11,671	31,221
Foreign exchange differences	(34,808)	25,037
Audit fees	45,550	33,231

6. Interest receivable and similar income

	2020	2019
	£	£
Other interest received	127	-
Interest on intercompany loans	763,520	394,410
	<u>763,647</u>	<u>394,410</u>

7. Interest payable and similar charges

	2020	2019
	£	£
Bank interest	-	-
Other interest	1,213	1,141
Interest on intercompany loans	345,757	298,598
	<u>346,970</u>	<u>299,739</u>

Notes to the financial statements

for the year ended 30 June 2020

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2020 £	2019 £
<i>Current tax:</i>		
UK Corporation tax at 19%	2,227,828	2,207,511
Adjustment in respect of prior periods	(451)	(1,209)
<i>Total Current Tax</i>	<u>2,227,377</u>	<u>2,206,302</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences at 19%	(10,616)	(18,069)
Adjustment in respect of prior periods at 17%	3,961	14,086
<i>Tax expense in the income statement</i>	<u>2,220,722</u>	<u>2,202,319</u>

(b) Tax included in total other comprehensive income

The tax charge/(credit) is made up as follows:

	2020 £	2019 £
<i>Deferred tax:</i>		
Unrealised gain on derivatives	10,347	12,117
<i>Total tax charge/(credit)</i>	<u>10,347</u>	<u>12,117</u>

(c) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	11,433,204	11,186,370
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	<u>2,172,309</u>	<u>2,125,410</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	50,098	61,907
Intercompany debt restructuring	-	-
Adjustment in respect of prior year	3,510	12,876
Change in tax rate	(5,195)	2,126
<i>Total tax charge</i>	<u>2,220,722</u>	<u>2,202,319</u>

Notes to the financial statements

for the year ended 30 June 2020

9. Tangible assets

	Plant & Machinery £	Fixtures & Fittings £	Computer Hardware £	Land & Buildings £	Totals £
Costs					
At 1 July 2019	351,827	178,290	42,622	154,643	727,382
Additions	70,529	3,235	-	-	73,764
Disposals	(22,478)	-	-	-	(22,478)
At 30 June 2020	399,878	181,525	42,622	154,643	778,668
Depreciation					
At 1 July 2019	(266,926)	(138,531)	(42,045)	(154,643)	(602,145)
Charge for the year	(60,483)	(24,050)	(488)	-	(85,021)
Eliminated on disposal	10,807	-	-	-	10,807
At 30 June 2020	(316,602)	(162,581)	(42,533)	(154,643)	(676,359)
Net Book Value					
At 30 June 2020	83,276	18,944	89	-	102,309
At 30 June 2019	84,901	39,759	577	-	125,237

Notes to the financial statements

for the year ended 30 June 2020

10. Intangible assets

	Computer Software
	£
Costs	
At 1 July 2019	337,992
Additions	47,388
At 30 June 2020	385,380
Depreciation	
At 1 July 2019	(270,428)
Charge for the year	(43,484)
At 30 June 2020	(313,912)
Net Book Value	
At 30 June 2020	71,468
At 30 June 2019	67,564

11. Inventories

	2020 £	2019 £
Raw materials and packaging	991	1,656
Finished goods	6,076,199	5,251,805
	<u>6,077,190</u>	<u>5,253,461</u>

The amount of impairment loss recognised in the year amounted to £109,487 (2019: £289,338).

The cost of inventory recognised as an expense in the year amounted to £41,470,636 (2019: £43,141,808).

Notes to the financial statements

for the year ended 30 June 2020

12. Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade receivables	10,454,322	12,310,065
Amounts owed by group undertakings	21,591,911	28,993,862
Other debtors	814,694	1,081,608
Unrealised gain on cash flow hedge	60,864	65,496
Prepayments & accrued income	317,532	286,090
VAT	233,595	270,615
Corporation tax repayable	150,230	-
	<u>33,623,148</u>	<u>43,007,736</u>
Amounts falling due after more than one year:		
Other receivables	43,439	43,439
	<u>33,666,587</u>	<u>43,051,175</u>

Included within 'amounts owed by group undertakings' are intercompany loans that are repayable on demand with interest bearing at rates 2.04% and LIBOR + 2.15%.

13. Trade and other payables: amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,040,512	4,611,745
Amounts owed to group undertakings	11,297,505	9,979,040
Social security and other taxes	147,141	126,302
Corporation tax	-	1,040,902
Other creditors	36,403	37,344
Deferred income	-	-
Accrued expenses	6,048,440	6,828,712
	<u>21,570,001</u>	<u>22,624,045</u>

Notes to the financial statements

for the year ended 30 June 2020

14. Operating lease commitments

The following operating lease payments are committed to be paid:

	<i>Land and buildings</i>		<i>Other operating leases</i>	
	2020	2019	2020	2019
	£	£	£	£
Expiring:				
Within one year	130,340	130,340	6,097	2,434
Between one and five years	130,340	260,680	8,533	1,188
	<u>260,680</u>	<u>391,020</u>	<u>14,630</u>	<u>3,622</u>

15. Deferred tax

	2020	2019
	£	£
Deferred tax asset / (liability)		
Accelerated capital allowances	54,770	48,115
Other short term timing differences	(11,564)	(12,117)
	<u>43,206</u>	<u>35,998</u>
		Deferred Tax (liability)/asset, £
Balance at 1 July 2019		35,998
Credit to Income Statement during the year		6,655
Transfer to Other Comprehensive Income		553
Deferred tax asset at 30 June 2020		<u>43,206</u>

16. Called up share capital

	2020		2019	
	No.	£	No.	£
Allotted, issued and fully paid				
Ordinary shares of £1 each	100	<u>100</u>	100	<u>100</u>

Notes to the financial statements

for the year ended 30 June 2020

17. Share-based payments

Awards of restricted stock may be either grants of restricted stock awards ("RSAs") or restricted share units ("RSUs") that are issued at no cost to the recipient. RSA holders have all rights of a stockholder at the grant date, subject to certain restrictions on transferability and a risk of forfeiture. Shares underlying RSUs are not issued until vesting. Both award types are subject to continued employment and vesting conditions in accordance with provisions set forth in the applicable award agreements.

The fair market value of The Hain Celestial Group Inc. common stock on the grant date is used to measure fair value for service-based and performance-based awards, and a Monte Carlo simulation model to determine the fair value of market-based awards. The fair value of stock-based compensation awards is recognised as an expense over the vesting period using the straight-line method. For awards that contain a market condition, expense is recognized over the defined or derived service period using a Monte Carlo simulation model. Compensation expense is recognised for these awards on a straight-line basis over the service period, regardless of the eventual number of shares that are earned based upon the market condition, provided that each grantee remains an employee at the end of the performance period. Compensation expense on awards that contain a market condition is reversed if at any time during the service period a grantee is no longer an employee.

The expense recognised for share-based payments in respect of employee services received during the year to 30 June 2020 is £488,849. All expenses relate to equity-settled transactions.

The following table illustrates the number of, and movements in, share options during the year. As well as weighted average grant date fair value.

	2020 No.	2020 GD FV
Outstanding as at 1 July 2019	62,753	\$14.21
Granted during the year	7,476	\$25.24
Forfeited during the year	(1,850)	\$31.60
Vested during the year	(10,550)	\$21.17
Outstanding at 30 June 2020	57,829	\$13.81

- (1) Includes 26,743 of market-based PSUs, representing 100% of the targeted award. These awards will vest pursuant to the achievement of pre-established three-year compound annual total shareholder return levels over the period November 6, 2018 to November 6, 2021. The number of shares actually issued will range from zero to 300% of the shares granted. The weighted average grant date fair value was estimated to be \$7.09 per share.

Notes to the financial statements

for the year ended 30 June 2020

18. Reserves

	Profit and loss account £
At 1 July 2019	28,404,805
Total comprehensive income for the year	9,208,402
Share-based payment charge	488,849
Dividend paid	(18,159,819)
	<hr/>
At 30 June 2020	19,942,237
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19. Related party transactions

The company has taken advantage of the exemption available under FRS 102 paragraph 33.11 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

20. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Ella's Kitchen Group Limited, a company incorporated in the United Kingdom.

The directors consider the ultimate parent undertaking and controlling party to be The Hain Celestial Group, Inc.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is The Hain Celestial Group, Inc. Copies of the financial statements can be obtained from 1111 Marcus Ave, Lake Success, NY 11042.

21. Contingent liabilities

Co-packer and packaging suppliers for Ella's Kitchen group companies hold inventories of branded packaging for use in the manufacturing process. Ella's Kitchen group companies have a possible liability to purchase this stock should the co-packer not meet its contractual duties. It is considered that this would only arise if the company unexpectedly discontinued a large number of product lines at short notice. The directors consider the likelihood of this outcome as remote.

At 30 June 2020 the maximum obligation was of £2,154,446 (2019: £2,229,466).

Notes to the financial statements

for the year ended 30 June 2020

22. Reconciliation of movements in shareholders' funds

	2020 £	2019 £
Profit for the financial year	9,212,482	8,984,051
Unrealised gain/(loss) on derivatives	(4,080)	53,380
Total comprehensive income	9,208,402	9,037,431
Dividends paid	(18,159,819)	-
Share-based payment charge	488,849	451,314
Net addition to shareholders' funds	(8,462,568)	9,488,745
Opening shareholder's funds	28,404,905	18,916,160
Closing shareholders' funds	19,942,337	28,404,905