CBee (Europe) Limited

Report and Financial Statements

30 June 2017

Directors
Giles Malone
Ahjaz Ahmad Khan

Secretary
Charlotte Bailey

Auditors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers
Barclays Bank Plc
10-14 High Street
Old Town
Swindon SN1 3ED

Registered Office
Eton House, 2nd Floor
18-24 Paradise Road
Richmond
Surrey TW9 1SE

Country of Incorporation and Principal Place of Business
United Kingdom

Legal Form
Limited company

Company Number
06062933

Strategic Report

The Directors present their strategic report for the year ended 30 June 2017.

Principal activities and review of the business

The principal activity of the company is the distribution and wholesale of natural beauty, cat litter and cleaning products throughout the UK, Europe.

The company is a wholly owned subsidiary of Burt's Bees International Holdings Inc., a company incorporated in Delaware, USA. Burt's Bees International Holdings Inc. is a wholly owned subsidy of The Clorox Company.

Key performance indicators:

	2017	2016	Change %
Revenue - £m	29.77	23.80	25.1
Gross Profit £m	12.07	9.34	29.2
Profit/(Loss) before tax £m	2.26	(1.85)	222.2
Shareholder's Funds/(Deficit) £m	1.71	(0.55)	410.9
Headcount	39.8	35.5	

- Revenue increased by 25.1% to £29.8M (2016: £23.8M) in the year ended 30 June 2017. This has been driven by growth in the Burt's Bees and Cat Litter brands.
- Gross Profit increased in line with sales by 29.2% and gross margins increased by 2% mainly driven by the restructuring of the Cat Litter supply chain and improved mix.
- Administration expenses decreased by 13% driven by an updated transfer pricing methodology to the US parent company partially offset by increased marketing spend, activities relating to the existing Algerian business and increased rent in the London head office.
- Operating Results improved from a loss before tax in 2016 of £1.9M to a profit before tax of £2.3M in 2017 as a result of sales growth, improved margins and decrease in administrative costs.

Principal risks and uncertainties

The principal risks and uncertainties facing CBee (Europe) Limited can be broadly grouped as competitive, credit, liquidity and foreign exchange risk.

- *Competitive risks*

CBee (Europe) Limited faces competition from a number of other companies for sales in each of the regions in which it trades. The company seeks to maintain existing relationships with customers, and manage pricing and margins to protect the trading results of the business.

- *Credit risk*

Credit risk is the risk that one of the company's debtors fails to re-pay amounts due, causing loss to the company. CBee (Europe) Limited's credit policy is aimed at minimising such losses by trading strictly to set credit limits and credit terms. The company also regularly monitors its receivables to focus collection procedures on potentially risky balances. Provisions for overdue and doubtful debts are made if necessary.

- *Liquidity risk*

The company retains sufficient cash to ensure it has adequate funds available for operations as agreed with the parent company's treasury management committee. The company has no external debt.

- *Foreign exchange rate risk*

CBee (Europe) Limited operates in a number of different countries and currencies, and therefore is exposed to exchange rate risks that arise from transactions in currencies other than its functional currency. We do not mitigate this risk at a local level. The Clorox Company manages this risk at a global level.

On behalf of the Board

Giles Malone

Director

2/11/2017

Directors' report

The directors present their report for the year ended 30 June 2017.

Directors

The directors who served the company during the year and up to the date of this report were:

Giles Malone

Ahjaz Ahmad Khan

Dividends

The directors do not recommend the payment of a dividend for the year (2016 – £nil).

Future developments

The Directors believe there is potential to grow all major brands over the next few years and have developed strategies focussed on growing top line sales and improving operating margins.

Financial Instruments

In September 2013, a $5,000,000 (£3,844,100) loan was provided by Clorox Switzerland to pay down some of the intercompany balance with Burt's Bees International Holdings Inc. This is accruing interest at the higher of Libor+1% and the Swiss Safe Harbour rate.

Financial Instruments give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on how these risks arise are set out in the strategic report, as are the objectives, policies and processes for their management and the methods used to measure each risk.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and the principle risks and uncertainties are described above and in the strategic report.

The company is a wholly owned subsidiary of Burt's Bees International Holdings Inc., a company incorporated in Delaware, USA.

At the year end, the company has net current assets of £5,129,418 (2016 – £2,833,322) and shareholders' funds of £1,712,411 (2016 – deficit of £548,683). Included in long term creditors is a loan of $5,000,000 (£3,844,100) from Clorox Switzerland (2016 – £3,723,530, $5,000,000). This loan is guaranteed by the ultimate parent company, the Clorox Company, until expiry in September 2018.

After making enquiries, and receiving confirmation of continued financial support from the parent company (Clorox Company Inc) for the foreseeable future period, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have completed the long range plan (three year financial projections) for CBee (Europe) Ltd and having obtained confirmation of ongoing support from the ultimate parent company (The Clorox Company), have no reason to believe that material uncertainty exists. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to the auditors

So far as the directors at the date of approving this report are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Giles Malone

Director

2/11/2017

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK 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 International Reporting Standards (IFRS) together with the benefits of UK GAAP Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing those 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; and
- 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 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.

Independent auditor's report

to the members of CBee (Europe) Limited

We have audited the financial statements of CBee (Europe) Limited for the year ended 30 June 2017, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditor's report (Continued)

to the members of CBee (Europe) Limited

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 identified no material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Oxana Dorrington (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory auditor)
London
Date 03 November 2017

Income Statement

for the year ended 30 June 2017

	Notes	2017 £	2016 £
Turnover	3	29,773,461	23,797,835
Cost of sales		(17,707,982)	(14,457,775)
Gross Profit		12,065,479	9,340,060
Administrative expenses		(9,704,585)	(11,113,744)
Operating profit/ (loss)	4	2,360,894	(1,773,684)
Interest payable and similar charges	7	(99,800)	(76,530)
Profit/ (Loss) on ordinary activities before taxation		2,261,094	(1,850,214)
Taxation on loss from ordinary activities	8	–	–
Profit/(Loss) on ordinary activities after taxation and total comprehensive loss for the year		2,261,094	(1,850,214)

All amounts relate to continuing activities.

There are no other gains or losses other than those passing though profit and loss.

Balance sheet

at 30 June 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	427,093	341,525
		427,093	341,525
Current assets			
Stock	10	2,513,839	2,526,289
Debtors	11	10,448,019	7,801,132
Cash at bank and in hand	12	3,217,535	4,559,614
		16,179,393	14,887,035
Creditors: Amounts falling due within one year	13	(11,049,975)	(12,053,713)
Net current assets		5,129,418	2,833,322
Total assets less current liabilities		5,556,511	3,174,847
Creditors: Amounts falling due after one year	14	(3,844,100)	(3,723,530)
Net (liabilities)/assets		1,712,411	(548,683)
Capital and reserves			
Called up share capital	15	7,725,290	7,725,290
Retained Earnings		(6,012,879)	(8,273,973)
Shareholders' funds/(deficit)		1,712,411	(548,683)

Approved for and on behalf of the board:

Director
Name: Giles Malone
Date: 2/11/2017
Registered No. 06062933

Statement of changes in equity

for the year ended 30 June 2017

	Share capital £	*Profit and loss account* £	*Total equity* £
At 1 July 2015	7,725,290	(6,423,759)	1,301,531
Loss for the year and total comprehensive loss	-	(1,850,214)	(1,850,214)
At 1 July 2016	**7,725,290**	**(8,273,973)**	**(548,683)**
Profit for the year and total comprehensive income	-	2,261,094	2,261,094
At 30 June 2017	**7,725,290**	**(6,012,879)**	**1,712,411**

Notes to the financial statements

at 30 June 2017

1. Authorisation of Financial Statements and Statement of Compliance with FRS 101

Authorisation of Financial Statements and Statement of Compliance with FRS 101

The financial statements of CBee (Europe) Limited (the "Company") for the year ended 30 June 2017 were authorised for issue by the board of directors on 2 November 2017 and the balance sheet was signed on the board's behalf by Giles Malone. CBee (Europe) Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company's financial statements are presented in Sterling and all values are given in absolute figures unless otherwise indicated.

2. Accounting policies

Basis of preparation

The company has taken advantage of the following disclosure exemptions under FRS 101 as the equivalent disclosures are included in the consolidated financial statements of the Clorox Company:

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    i. paragraph 79(a)(iv) of IAS 1;
    ii. paragraph 118(e) of IAS 38 Intangible Assets
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the group. These financial statements do not include certain disclosures in respect of:

- the requirements of paragraph 45(b) and 46-52 of IFRS 2 share based payment, because
- the share based payment arrangement concerns the instruments of another group entity;
- the requirement of IFRS 7 Financial Instruments;
- he requirement of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)- 135(e) of IAS36 Impairment of Assets
- The financial statements of The Clorox Company in which the company's results are consolidated can be obtained as described in note 19.

Notes to the financial statements

at 30 June 2017

Accounting policies (continued)

Going Concern

The company's business activities, together with the factors likely to affect its future development, its financial position and the principle risks and uncertainties are described above and in the strategic report.

The company is a wholly owned subsidiary of Burt's Bees International Holdings Inc., a company incorporated in Delaware, USA.

At the year end, the company has net current assets of £5,129,418 (2016 – £2,833,322) and shareholders' funds of £1,712,411 (2016 – deficit of £548,683). Included in long term creditors is a loan of $5,000,000 (£3,844,100) from Clorox Switzerland (2016 – £3,723,530, $5,000,000). This loan is guaranteed by the ultimate parent company, the Clorox Company, until expiry in September 2018.

After making enquiries, and receiving confirmation of continued financial support from the parent company (Clorox Company Inc) for the foreseeable future period, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have completed the long range plan (three year financial projections) for CBee (Europe) Ltd and having obtained confirmation of ongoing support from the ultimate parent company (The Clorox Company), have no reason to believe that material uncertainty exists. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets

All fixed assets are initially recorded at cost. Cost comprises the purchase price and any direct costs incurred in bringing the asset to its location and condition for intended use.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are capitalised and spread over the period of the lease term.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Computer and office equipment	–	5 years
Furniture and fixtures	–	5 years
Leasehold property	–	Over the shorter of remaining life of the lease period and 10 years

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less additional costs to completion and disposal. In determining the cost of finished goods, the value used is the price charged by the US parent.

Notes to the financial statements

at 30 June 2017

2. *Accounting policies (continued)*

Stock provisioning

The Company defines obsolete inventory as inventory on hand that is not saleable, has no current consumer or production demand and shows no sign of future demand. The lower of cost or market principle must be applied to obsolete inventory and a loss must be recognized in the period the material(s) are considered obsolete. The Company will dispose of obsolete inventory in accordance with all regulatory and legal requirements. Additional costs to dispose inventory shall be accrued as soon as items are deemed obsolete and disposal costs are estimable.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered), using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which deferred tax liabilities/(assets) are settled or recovered, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's ordinary shares are classified as equity instruments.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Revenue Recognition

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably
- it is probable that the company will receive the consideration due under the transactions;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The above criteria are considered to be met when the goods have passed to the buyer, usually on dispatch of the goods. Revenue is measured at the fair value of the consideration received excluding discounts, sales rebates and value added tax.

Notes to the financial statements

at 30 June 2017

2. Accounting policies (continued)

Share Based Payments

IFRS 2 "Share Based Payment" requires the fair value of options and shares awarded to the company's employees by the ultimate parent undertaking, which ultimately vest, to be charged to the company's profit and loss account over the vesting or performance period. For equity - settled transactions the fair value is determined at the date of the grant using an appropriate pricing model. For cash settled transactions the fair value is determined at the grant date and at balance sheet date thereafter until the awards are settled. If an award fails to vest as a result of certain types of performance condition not being satisfied, the charge to the profit and loss account will be adjusted to reflect this.

As in the prior year, the directors have determined that the fair value of the share based payment awards in the ultimate parent company granted to the company's current employees is not material and therefore these financial statements do not include a share based payment expense or related detailed disclosures as required by IFRS 2. As at 30 June 2017, there were 23,920 (2016: 17,280) outstanding share options held by employees of which 7,040 were granted in the year. There are a total of 5,020 (2016: 4,320) restricted shares held by employees. Full disclosure of share based payment arrangements can be found in the consolidated accounts of the Clorox Company.

Pensions

The company operates a defined contribution scheme. Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Financial assets

The company classifies its financial assets into the loans and receivables category set out below. The company has not classified any of its financial assets as fair value through profit or loss or as held to maturity.

The company's accounting policy for loans and receivables is as follows:

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include cash in hand and deposits held on call with banks.

Notes to the financial statements
at 30 June 2017

2. *Accounting policies (continued)*

Financial liabilities

The company classifies its financial liabilities into the other financial liabilities category set out below. The company has not classified any of its financial liabilities as fair value through profit or loss.

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Accounting estimates and judgements

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expense. The Directors have concluded that the judgements made during the period are not significant and that any estimation uncertainty does not give rise to a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to the distribution and wholesale of natural beauty, cat litter and cleaning products throughout the UK, Europe and Algeria as stated in the strategic report.

All our turnover is from the sale of goods however this can be split into brand categories as below:

Turnover arises from:

An analysis of turnover by geographical market is given below:

	2017	*2016*
	£	*£*
UK	7,396,650	5,735,741
Algeria	-	191,511
Rest of the World	22,376,811	17,870,583
	29,773,461	23,797,835

4. Operating profit/(loss)

This is stated after charging/(crediting)

	2017	*2016*
	£	*£*
Depreciation of owned fixed assets	159,711	115,707
Operating lease rentals – land and buildings	279,552	199,668
Net loss on foreign currency translation	6,956	970,661
Management recharge income	(2,165,399)	(1,628,589)
Other accounting services	11,480	27,819
Auditor's remuneration – audit services	39,900	43,500

Notes to the financial statements

at 30 June 2017

5. Employees

	2017	*2016*
	£	*£*
Wages and salaries	3,669,955	3,857,257
Social security costs	604,844	456,191
Pension costs	233,188	194,594
	4,507,987	4,508,042

These staff costs include costs for employees (and two directors) who also perform services for other group companies. The costs relating directly to services attributable to the company have not been separately identified and therefore the full costs are disclosed. The costs relating to group services are recovered within a management recharge for all the costs borne by the entity relating to functions for group entities.

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

	2017	*2016*
Sales	16.2	12.3
Administration	23.6	23.2
	39.8	35.5

6. Directors' remuneration

	2017	*2016*
	£	*£*
Aggregate emoluments	544,888	460,845
Company pension contributions to money purchase scheme	37,095	43,596
	581,983	504,441

In respect of highest paid director:

	2017	*2016*
	£	*£*
Aggregate emoluments	381,343	236,257
Company pension contributions to money purchase scheme	24,563	28,076
	405,906	264,333

The highest paid director did not exercise share options during the year.

	2017	*2016*
	No.	*No.*
Number of directors who exercised share options	0	1
Members of money purchase pension scheme	2	3

Notes to the financial statements

at 30 June 2017

7. Interest payable and similar charges

	2017	*2016*
	£	*£*
Intercompany Interest Expense	99,800	76,530

In September 2013, a £3,723,530 loan ($5,000,000) was provided by Clorox Switzerland to pay down some of the intercompany balance with Burt's Bees International Holdings Inc. This is accruing interest at the higher of Libor+1% and the Swiss Safe Harbour rate.

8. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

	2017	*2016*
	£	*£*
Current tax:		
UK corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax expense	-	-

(b) Factors affecting current tax charge

	2017	*2016*
	£	*£*
Profit/(Loss) on ordinary activities before taxation	2,261,096	(1,850,214)
Loss on ordinary activities at standard UK rate of corporation tax of 19.75% (2016 – 20%)	446,582	(370,043)
Income/(Expenses) not deductible for tax purposes	17,951	(25,138)
Capital allowances in excess of depreciation	11,330	10,247
Tax (gains)/losses not recognised	(475,863)	384,934
Total tax expense	-	-

(c) Deferred tax

	2017	*2016*
	£	£
Unrecognised deferred tax asset		
Temporary timing differences due to losses	-	1,370,952

For the year ended June 30, 2017, the Company was subject to UK corporation tax at a rate of 19.75% (2016 – 20.00%: 20% during the 9 months to April 1, 2016 and 20% during the 3 months to June 30, 2016).

Notes to the financial statements

at 30 June 2017

8. Tax (continued)

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.

The Finance Act 2013, which includes a reduction in the UK corporate tax rate to 20% from 1 April 2015, was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The company has recognised the impact of the rate change which is substantively enacted at the time in its financial statements therefore all deferred tax assets and liabilities have been measured in the financial statements at the 18% rate. On 15 September 2016 the UK Government substantively enacted legislation to further reduce the main rate of UK corporation tax from 18% to 17% with effect from 1 April 2020. Therefore, the company measured all its deferred tax assets and liabilities in the financial statement at the 17% rate for the financial statements ending 30 June 2017. The impact of this on these financial statements is not significant.

9. Tangible fixed assets and Commitments under operating leases

	Leasehold Property £	*Office and computer equipment* £	*Furniture and fixtures* £	*Total* £
Cost:				
At 1 July 2016	489,046	171,563	121,528	782,137
Additions	173,513	23,823	47,943	245,279
At 30 June 2017	662,559	195,386	169,471	1,027,416
Depreciation:				
At 1 July 2016	(210,857)	(131,157)	(98,598)	(440,612)
Charge in the year	(83,699)	(42,201)	(33,811)	(159,711)
At 30 June 2017	(294,556)	(173,358)	(132,409)	(600,323)
Net book value: At 1 July 2016	278,189	40,406	22,930	341,525
At 30 June 2016	368,003	22,028	37,062	427,093

10. Stocks

	2017 £	*2016* £
Finished goods and goods for resale	2,513,839	2,526,289

Notes to the financial statements

at 30 June 2017

11. Debtors

	2017	*2016*
	£	*£*
Trade debtors	7,226,813	4,859,307
Amounts owed by group undertakings	2,639,271	2,013,822
Other taxes	311,784	576,543
Prepayments and other debtors	270,151	351,460
	10,448,019	7,801,132

All amounts shown under debtors fall due for payment within one year.

12. Cash at bank and in hand

	2017	*2016*
	£	*£*
Bond Guarantee	500,286	501,121
Cash at Bank	2,717,249	4,058,493
	3,217,535	4,559,614

A Bond guarantee facility for £500,000 was arranged with Barclays Bank in January 2014 which has been secured with £500,000 cash which cannot be drawn by CBee Europe Ltd. This is to finance import taxes for products purchased from the ultimate parent, The Clorox Company. Interest has accrued on this balance of £286 (2016: £1,121)

13. Creditors: amounts falling due within one year

	2017	*2016*
	£	*£*
Trade creditors	3,020,661	953,269
Amounts owed to group undertakings	4,729,023	8,409,540
Accruals and deferred income	3,300,291	2,690,904
	11,049,975	12,053,713

14. Creditors: amounts falling due after one year

	2017	*2016*
	£	*£*
Amounts owed to group undertakings	3,844,100	3,723,530
	3,844,100	3,723,530

In September 2014, a $5,000,000 loan (£3,844,100) was provided by Clorox Switzerland to pay down some of the intercompany balance with Burt's Bees International Holdings Inc. This is accruing interest at the higher of Libor+1% and the Swiss Safe Harbour rate. Interest is paid annually in June. This loan is wholly repayable in more than 2 years from the financial period end of 30 June 2017, being due for repayment in September 2018.

Notes to the financial statements

at 30 June 2017

15. Issued share capital

Allotted, called up and fully paid	*No.*	*2017* *£*	*No.*	*2016* *£*
Ordinary shares of £1 each	7,725,290	7,725,290	7,725,290	7,725,290

16. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	***Description and purpose***
Share capital	Nominal value of share capital subscribed for.
Profit and loss account	All other net gains and losses and transactions with owners (eg. Dividends) not recognised elsewhere.

17. Pensions

The company operates a defined contribution pension scheme. The total pension cost for the year was £233,188 (2016 – £194,594). There were £nil (2016 –£nil) outstanding amounts payable to the scheme as at 30 June 2017

18. Commitments under operating leases

The total value of minimum lease payments is as follows

	2017 *Land and buildings* *£*	*2016* *Land and buildings* *£*
Within one year	118,209	54,928
In one to five years	460,225	-
In over five years	-	-
	578,434	54,928

Rent increased in November 2016 from £155,326 to £236,900 per year and the company resigned a lease for 5 years to October 2021.

19. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Burt's Bees International Holdings Inc., a company incorporated in the United States of America.

In the directors' opinion the company's ultimate parent undertaking and controlling party is The Clorox Company, a company incorporated in the United States of America. Copies of its group financial statements which include the company are available from Clorox Inc., 1221 Broadway, Oakland, CA 94612.

The smallest group of which the company is a part is Burt's Bees International Holdings Inc.

The largest group of which the company is a member is The Clorox Company which is also the only group in which the company's results are consolidated.