

# **CBee (Europe) Limited**

## **Report and Financial Statements**

**30 June 2021**

MONDAY



\*AAVV04ZN\*

A04

17/01/2022

#1

COMPANIES HOUSE

---

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Company Information	2
Strategic Report	3
Directors' Report	5
Statement of Directors' Responsibility	7
Independent Auditor's Report	8
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15

## **Company Information**

### **Directors**

Giles Malone

Ajaz Ahmad Khan (Resigned on 30 September 2020)

Todd Brock

Angela Hilt (Appointed on 30 September 2020, resigned on 19 April 2021)

Ike Adeyemi (Appointed on 19 April 2021)

### **Secretary**

N/A

### **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

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 2021.

### Principal activities and review of the business

The principal activity of the company is the distribution and wholesale of personal care, cat litter, digestive care and cleaning products throughout the UK and Europe.

The company is a wholly owned subsidiary of Burt's Bees Inc., a company incorporated in Delaware, USA. Burt's Bees Inc. is a wholly owned subsidiary of The Clorox Company. The Company has access to parent support and remain confident that this support will be provided if it became necessary.

### Key performance indicators:

	2021	2020	Change %
Revenue £	32,364,424	30,670,705	+5.5%
Gross Profit £	9,716,043	10,513,460	-7.6%
Profit before tax £	1,854,729	1,280,163	+44.9%
Shareholder's Funds £	9,381,748	7,998,625	+17.3%
Headcount	60	53	+7

- Revenue increased by 5.5% to £32.4m (2020: £30.7m) in the year ended 30 June 2021. Revenue growth is driven by petcare, and personal care categories offset by the lower sales in Home Care professional products. The impact of Covid and the subsequent shutdown of offline retail outlets impacted all categories but personal care was the most impacted category.
- Gross Profit in FY21 is down due to higher cost of sales. Logistics costs have increased due to global supply chain disruption and Brexit charges. The company reviews product pricing as part of the annual planning process and passes along increased costs to maintain margins.

### 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. The risk associated with the timing of cash flows from customers can be absorbed in the day to day functioning of the business.

#### • *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.

## Strategic Report (Continued)

### Company Structure

CBee Europe Ltd has a fully (100%) owned subsidiary based in Luxembourg named CBEE Lux SARL, this entity does not trade but is held to deal with EU regulatory requirements.

### Assessment of COVID-19

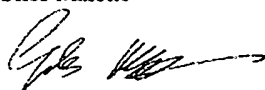
For the fiscal year ended June 30, 2021, the COVID-19 pandemic continued to cause economic and social disruptions that led to ongoing uncertainties. Demand for products across the Company portfolio remained elevated compared to pre-pandemic levels. The pandemic also contributed to a more pronounced inflationary environment in the back half of the fiscal year, marked by higher logistics costs as well as increased commodity costs.

As the world moves into new phases of the pandemic, the Company will continue to focus on these priorities, while continuing to strive to serve people as consumer behaviours evolve inside and outside the home.

Employees continue working from home which has not disrupted the business as a whole and performance continues to be strong.

On behalf of the Board

Giles Malone



Director

16 December 2021

## Directors' Report

The directors present their report for the year ended 30 June 2021.

### Directors

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

Giles Malone

Ajaz Ahmad Khan (Resigned on 30 September 2020)

Todd Brock

Angela Hilt (Appointed on 30 September 2020, resigned on 19 April 2021)

Ike Adeyemi (Appointed on 19 April 2021)

### Directors Liability

CBEE Europe has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the period and is in force as at the date of approving the directors' report.

### Dividends

The directors do not recommend the payment of a dividend for the year (2020 – £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.

### Research & Development

There are no research and development activities in the company.

### 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 Inc., a company incorporated in Delaware, USA.

At the year end, the company has net current assets of £9,055,403 (2020 – £7,480,620) and shareholders' funds of £9,381,748 (2020 – £7,998,625).

The company finds itself performing strongly and does not have any concerns in terms of cash flow. The timing of payments if there were to be delays from customers can be absorbed by the day to day activities of the entity. Cash flow reserves are kept ensuring all liabilities can be met in a timely manner and the directors are confident this situation will not change.

After making enquiries, and receiving confirmation of continued financial support from the ultimate parent company (Clorox Company Inc.) for at least twelve months from the date of approval of these accounts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period through to 31 December 2022. The directors have completed the long range plan for CBee (Europe) Ltd through to 31 December 2022, and having obtained confirmation of ongoing support from the ultimate parent company (The Clorox Company), have no reason to believe that material uncertainty exists relating to going concern for the period to 31 December 2022. The directors are confident that if support were required from the parent this would be made available.

As the world moves into new phases of the pandemic, the Company will continue to focus on these priorities, while continuing to strive to serve people as consumer behaviours evolve inside and outside the home. Employees continue working from home which has not disrupted the business as a whole and performance continues to be strong.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

## Directors' Report (Continued)

### 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

16 December 2021

Type text here

## 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.



---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBEE (EUROPE) LIMITED  
for the year ended 30 June 2021**

**Opinion**

We have audited the financial statements of CBEE (Europe) Limited for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2021 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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBEE (EUROPE) LIMITED**  
**(Continued) for the year ended 30 June 2021**

**Other Information (continued)**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the 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 7, 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 CBEE (EUROPE) LIMITED  
(Continued) for the year ended 30 June 2021

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the form and content of the financial statements, such as the United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework", the Companies Act 2006 and relevant tax compliance regulations in the jurisdictions in which the Company operates. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements such as those relating to employee matters.
- We understood how CBEE Europe Limited is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures. We assessed the effectiveness of entity level controls and noted a culture of honesty and ethical behaviour within the Company, including a strong emphasis on fraud prevention and deterrence. We corroborated our inquiries through review of the minutes of the meetings of the Board of Directors.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where there may be a susceptibility to fraud. We considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud, and how senior management and those charged with governance monitor those programmes and controls. Where the risk was considered to be higher, we performed additional audit procedures to address the identified fraud risk. These procedures included incorporating data analytics in testing of manual journals and were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; inquiries of legal counsel, management and those charged with governance, review of minutes of meetings of the Board of Directors; focussed audit procedures to agree the financial statements and disclosures to underlying supporting documentation.

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.

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBEE (EUROPE) LIMITED  
(Continued) for the year ended 30 June 2021**

**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*

Oxana Dorrington (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
16 December 2021

## Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	3	32,364,424	30,670,705
Cost of sales		<u>(22,648,381)</u>	<u>(20,157,245)</u>
<b>Gross Profit</b>		9,716,043	10,513,460
Administrative expenses		<u>(7,859,299)</u>	<u>(9,104,216)</u>
<b>Operating profit</b>	4	<u>1,856,744</u>	<u>1,409,244</u>
Interest payable and similar charges	7	<u>(2,015)</u>	<u>(129,081)</u>
<b>Profit on ordinary activities before taxation</b>		<u>1,854,729</u>	<u>1,280,163</u>
Taxation on profit from ordinary activities	8	<u>(471,606)</u>	<u>(305,765)</u>
<b>Profit on ordinary activities after taxation and total comprehensive income for the year</b>		<u>1,383,123</u>	<u>974,398</u>

All amounts relate to continuing activities.

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

## Statement of Financial Position

At 30 June 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	143,449	289,500
Investment in subsidiary	10	101,163	10,701
Right-of-use assets	15	81,733	296,664
		<u>326,345</u>	<u>596,865</u>
<b>Current assets</b>			
Stock	11	2,907,824	2,381,236
Debtors	12	8,810,223	12,031,007
Cash at bank and in hand	13	3,810,683	4,424,991
		<u>15,528,730</u>	<u>18,837,234</u>
<b>Creditors: Current lease liabilities</b>	15	(78,860)	(234,885)
<b>Creditors: Amounts falling due within one year excluding lease</b>	14	<u>(6,394,467)</u>	<u>(11,121,729)</u>
<b>Net current assets</b>		<u>9,055,403</u>	<u>7,480,620</u>
<b>Total assets less current liabilities</b>		<u>9,381,748</u>	<u>8,077,485</u>
<b>Creditors: Lease liabilities due after one year</b>		<u>-</u>	<u>(78,860)</u>
<b>Net assets</b>		<u>9,381,748</u>	<u>7,998,625</u>
<b>Capital and reserves</b>			
Called up share capital	16	7,725,290	7,725,290
Retained Earnings		<u>1,656,458</u>	<u>273,335</u>
<b>Shareholders' funds</b>		<u>9,381,748</u>	<u>7,998,625</u>

Approved for and on behalf of the board:

Director

Name: Giles Malone

Date: 16 December 2021

Registered No. 06062933



## Statement of Changes in Equity

for the year ended 30 June 2021

	<i>Called Up Share Capital (Note 17)</i>	<i>Retained Earnings</i>	<i>Total Shareholders' funds</i>
	£	£	£
<i>At 1 July 2019</i>	<b>7,725,290</b>	<b>(701,063)</b>	<b>7,024,227</b>
Profit for the year and total comprehensive income	-	974,398	974,398
<i>At 1 July 2020</i>	<b>7,725,290</b>	<b>273,335</b>	<b>7,998,625</b>
Profit for the year and total comprehensive income	-	1,383,123	1,383,123
<i>At 30 June 2021</i>	<b>7,725,290</b>	<b>1,656,458</b>	<b>9,381,748</b>

## Notes to the financial statements

At 30 June 2021

### 1. 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 2021 were authorised for issue by the board of directors on 16 December 2021 and the Statement of financial position 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 financial statements have been prepared in accordance with FRS101 to cover only CBee (Europe) as a single entity. 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;
- the requirements of paragraphs 10(d), 10(f), 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 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;
- the requirements of paragraph 45(b) and 46-52 of IFRS 2 Share-based Payment, because the Company is a subsidiary and the share-based payment arrangement concerns the instruments of another group entity;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases
- the requirements of IFRS 7 Financial Instruments: Disclosures.
- the requirement of company act section 401 preparation of group accounts
- the requirement of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The financial statements of The Clorox Company in which the company's results are consolidated can be obtained as described in note 20.



## Notes to the financial statements (continued)

At 30 June 2021

### *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 Inc., a company incorporated in Delaware, USA.

At the year end, the company has net current assets of £9,055,403 (2020 – £7,480,620) and shareholders' funds of £9,381,748 (2020 – £7,998,625).

After making enquiries, and receiving confirmation of continued financial support from the ultimate parent company (Clorox Company Inc.) for at least twelve months from the date of approval of these accounts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period through to 31 December 2022. The directors have completed the long range plan for CBee (Europe) Ltd through to 31 December 2022, and having obtained confirmation of ongoing support from the ultimate parent company (The Clorox Company), have no reason to believe that material uncertainty exists relating to going concern for the period to 31 December 2022. The directors are confident that if support were required from the parent this would be made available.

As the world moves into new phases of the pandemic, the Company will continue to focus on these priorities, while continuing to strive to serve people as consumer behaviours evolve inside and outside the home. Employees continue working from home which has not disrupted the business as a whole and performance continues to be strong.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

### *Revenue Recognition*

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates, and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Payment terms vary in line with the type of sales transactions and depend mainly on the products sold or services rendered, the distribution channels as well as each customer's specifics.

The Company assesses whether it acts as a principal or agent in each of its revenue arrangements. The Company has concluded that in all sales transactions it acts as a principal.

Revenue is recognised when performance obligation under the terms of the contracts with customers are satisfied. The company's performance obligation generally consists of the promise to sell finished products to wholesalers, distributors, retailers or customers. Control of finished products is transferred upon shipment to, or receipt at, customers' locations, as determined by the terms of the contract. Once control is transferred to the customer, the company has completed its performance obligation, and revenue is recognised.

When taking into consideration all the relevant facts and circumstances when applying each step of the five step model to contracts with customers, the company determined that the contracts generally include explicit promises to deliver specified products. There are no other implicit promises to provide any other goods or services apart from the specified products. There are no financing components in any existing contracts.

## Notes to the financial statements (continued)

At 30 June 2021

### *Reduced Revenue Provision*

Reduced Revenue Provision is based on two elements, ratios determined through contracts with customers set out as terms in the contract, and a Joint Business Plan wherein customer activities are agreed upon in advance and these activities drive the activities, these can be activity or ratio based.

### *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.

### *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.

### *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.

### *Leases*

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *i) Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold property	–	Over the shorter of remaining life of the lease period and 10 years
--------------------	---	---

#### *ii) Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

## Notes to the financial statements (continued)

At 30 June 2021

### *Leases (continued)*

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if

there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Current is defined as less than one year.

### *Debtors remeasurements*

For trade and other receivables that are subject to the impairment provisions of IFRS 9, the company has applied the simplified approach based on the credit risks attributes on recognition and the current method for estimating credit loss on receivables is robust and considers a broad range of information, which is required under this new guidance. This standard does not have a material impact on the financial statements of the company

Reserve methodology: OTC Reserve captures old items by aging categories for items determined uncollectible 1-30 days = .5%, 31-60 days = 1%, 61-90 days = 5%, 91-120 days = 10%, 121+ days = 100%

### *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.

### *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:

Office and computer equipment	-	5 years
Furniture and fixtures	-	5 years
Leasehold property improvement	-	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.

### *Investment in subsidiary*

Acquisitions of subsidiaries are accounted for at cost less impairment in the individual financial statements.

### *Stocks*

Stocks are stated at the lower of cost and net realisable value on a first in first out basis (FIFO). 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 (continued)

At 30 June 2021

### *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. The provisions are based on ratios which are predetermined per category of product and based on expiry dates for products.

### *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.

### *Equity-settled Share-based Payments*

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of The Clorox Company (market conditions). Any other conditions which are required to be met for an employee to become fully entitled to an award are considered to be non-vesting conditions. Like market performance conditions, non-vesting conditions are considered in determining the grant date fair value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the market vesting condition or non-vesting condition is satisfied, provided that all other non-market vesting conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market vesting conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition or a non-vesting condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement. As the Company's share-based payments involve equity instruments of the ultimate parent company, a corresponding increase is recognised in equity as a contribution from the parent. The Company pays a charge to The Clorox Company in respect of the cost of awards made to its employees based on the fair value at vesting, in the case of an award of shares, or exercise in the case of an award of options. These payments are charged directly to equity, as they represent a return of the capital contribution recognised at the grant date, up to the amount of that contribution, and a distribution thereafter.

## Notes to the financial statements (continued)

At 30 June 2021

### *Equity-settled Share-based Payments (continued)*

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period.

In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

### *Financial instruments*

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial instruments are subsequently measured in three categories: financial assets at amortised cost (debt instruments), financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) and financial assets at fair value through profit or loss.

#### *Financial assets at amortised cost*

The Company's financial assets at amortised cost includes trade receivables, loan to other group undertaking and other non-current financial assets.

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.

## Notes to the financial statements (continued)

At 30 June 2021

### *Financial instruments (continued)*

For trade receivables, which are not in default the Company applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### *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.

### *Deferred Revenue*

The company raises deferred revenue liability to recognise stock which is in transit at year end, but based on contractual agreements with the customers have been invoiced. This relates to invoices billed at year end but not yet delivered through a Netherlands port.

### *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. The company based its judgements on circumstances and assumptions which were present at year end.

Judgements:

**Order to Cash Reserve (Trade Receivables Impairment):** The company uses a matrix to calculate expected credit losses based on the methodology mentioned in 'debtors remeasurements' above. This policy provides a framework within which the parent company and its individual business units must operate, while providing flexibility to recognize the diverse nature of individual business units and their customers in the countries in which the Clorox group conducts business. Sources of uncertainty existing within these judgements are for the most part related to customer performance, as this is unpredictable within the business.

**Reduced Revenue Provision:** while there are no significant judgements made when raising these provisions, sources of uncertainty existing within this provision relate to customer driven changes to contractual activities, this could be the withdrawal of planned activities post agreement, this is however uncommon and the provisions are raised based on agreements in place as at the provision date.

## Notes to the financial statements (continued)

At 30 June 2021

### 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 and the rest of the world as stated in the strategic report.

All our turnover is from the sale of goods.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
UK	12,427,326	7,960,345
Rest of the World	19,937,098	22,710,360
	<u>32,364,424</u>	<u>30,670,705</u>

### 4. Operating profit

This is stated after charging/(crediting)

	2021	2020
	£	£
Depreciation of owned fixed assets (Note 9)	179,211	121,844
Operating lease rentals – land and buildings	384,650	301,505
Net loss on foreign currency translation	85,604	35,199
Management recharge income	(8,041,617)	(3,922,782)
Other accounting services	26,068	13,670
Auditor's remuneration – audit services	53,500	55,000

### 5. Employees

	2021	2020
	£	£
Wages and salaries	7,184,629	5,678,675
Social security costs	1,589,868	744,067
Pension costs	445,625	392,449
	<u>9,220,122</u>	<u>6,815,191</u>

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

## Notes to the financial statements (continued)

At 30 June 2021

### 5. Employees (continued)

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 company operates a defined contribution pension scheme. The total pension cost for the year was £445,625 (2020 – £392,449). There were £nil outstanding amounts payable to the scheme as at 30 June 2021.

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

	2021	2020
Sales	25	23
Administration	35	30
	<u>60</u>	<u>53</u>

### 6. Directors' remuneration

	2021	2020
	£	£
Aggregate emoluments	353,196	630,294
Company pension contributions to money purchase scheme	<u>22,051</u>	<u>41,650</u>
	<u>375,247</u>	<u>671,944</u>

In respect of highest paid director:

	2021	2020
	£	£
Aggregate emoluments	233,241	439,737
Company pension contributions to money purchase scheme	<u>14,104</u>	<u>27,855</u>
	<u>247,345</u>	<u>467,592</u>

	2021	2020
	No.	No.
Number of directors who exercised share options	<u>2</u>	<u>2</u>
Members of money purchase pension scheme	<u>2</u>	<u>2</u>



## Notes to the financial statements (continued)

At 30 June 2021

### 7. Interest payable and similar charges

	2021	2020
	£	£
Interest on lease liabilities	2,015	-
Group Undertakings Interest Expense	-	129,081
Total	<u>2,015</u>	<u>129,081</u>

### 8. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax at 19% (2020: 19%)	479,567	270,342
Adjustments in respect of prior periods	6,793	34,605
Total current tax charge (note 8(b))	<u>486,360</u>	<u>304,947</u>
Deferred tax:		
Origination and reversal of temporary differences	(18,528)	(10,713)
Adjustments in respect of prior periods	(1,953)	8,288
Effect of tax rate change on opening balance	5,727	3,243
Total deferred tax (credit)/charge	<u>(14,754)</u>	<u>818</u>
Total tax expense	<u>471,606</u>	<u>305,765</u>

#### (b) Factors affecting current tax charge

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>1,854,729</u>	<u>1,280,163</u>
Profit on ordinary activities at standard UK rate of corporation tax of 19% (2020 – 19%)	352,399	243,231
Fixed Asset differences	10,711	41,863
Expenses not deductible for tax purposes	103,313	15,044
Income not taxable for tax purposes	(1,184)	(40,508)
Adjustment to tax charge in respect of previous periods	6,793	34,605
Adjustment to tax charge in respect of previous periods – deferred tax	(1,953)	8,288
Remeasurement of deferred tax for changes in tax rates	1,280	3,242
Deferred Tax not recognised	247	-
Total tax expense	<u>471,606</u>	<u>305,765</u>

## Notes to the financial statements (continued)

At 30 June 2021

### 8. Tax (continued)

(c) Deferred tax

	2021 £	2020 £
<i>Unrecognised deferred tax asset/(liability)</i>		
Temporary timing differences	5,335	(20,089)

On 11 March 2020, the UK government announced that the rate applicable from 1 April 2020 would be maintained at 19% and this is substantively enacted on 17 March 2020.

On 24 May 2021, the Finance Bill 2021 was substantively enacted. This Bill included an increase in the corporation tax rate for the tax year 2023, from 1 April 2023 onwards, from 19% (in tax year 2022) to 25%. As the Bill was substantively enacted before the Company's balance sheet date of 30 June 2021, deferred tax has been remeasured to reflect the tax rates expected to apply to the period when the asset is realised, or the liability is settled.

### 9. Tangible fixed assets

	<i>Leasehold Property</i> £	<i>Office and computer equipment</i> £	<i>Furniture and fixtures</i> £	<i>Total</i> £
<b>Cost:</b>				
At 1 July 2020	755,228	352,606	210,972	1,318,806
Additions	6,280	21,393	5,487	33,160
<b>At 30 June 2021</b>	<b>761,508</b>	<b>373,999</b>	<b>216,459</b>	<b>1,351,966</b>
<b>Depreciation:</b>				
At 1 July 2020	(567,440)	(288,358)	(173,508)	(1,029,306)
Depreciation:	(109,313)	(50,174)	(19,724)	(179,211)
<b>At 30 June 2021</b>	<b>(676,753)</b>	<b>(338,532)</b>	<b>(193,232)</b>	<b>(1,208,517)</b>
<b>Net book value:</b>				
At 1 July 2020	187,788	64,248	37,464	289,500
<b>At 30 June 2021</b>	<b>84,755</b>	<b>35,467</b>	<b>23,227</b>	<b>143,449</b>

## Notes to the financial statements (continued)

At 30 June 2021

### 10. Investment in subsidiary

	2021	2020
	£	£
Investment in CBEE Lux SARL	101,163	10,701

The Company holds 12,000 ordinary shares in CBee Lux Sarl which make up one hundred percent (100%) of the share capital issued at no par value. The registered address of CBee Lux Sarl is 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg.

The capital injection is booked as equity in the subsidiary statements per the contractual agreement with the subsidiary. As CBee (Europe) Limited is sole owner of the subsidiary, the ownership percentage remained unchanged in the financial year.

### 11. Stocks

	2021	2020
	£	£
Finished goods and goods for resale	2,907,824	2,381,236

Inventory recognised as an expense within cost of sales amounted to £18,712,607 (2020: £17,504,863).

### 12. Debtors

	2021	2020
	£	£
Trade debtors	5,442,017	7,868,826
Amounts owed by group undertakings	2,081,742	3,496,602
Bond Guarantee	503,888	501,235
Taxation and other social securities	491,014	0
Prepayments and other debtors	291,562	164,344
	8,810,223	12,031,007

All amounts shown under debtors, except for the bond guarantee, fall due for payment within one year.

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.

### 13. Cash at bank and in hand

	2021	2020
	£	£
Cash at Bank	3,810,683	4,424,991

## Notes to the financial statements (continued)

At 30 June 2021

### 14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,759,924	1,642,001
Amounts owed to group undertakings	1,427,939	6,155,700
Taxation and other social securities	0	247,378
Accruals and deferred income	3,206,604	3,076,650
	<u>6,394,467</u>	<u>11,121,729</u>

### 15. Leases

The Company has lease contracts for property used in its operations.

The carrying amounts of right-of-use assets recognised and the movements during the period are:

	2021
	£
<b>Cost:</b>	
At 1 July 2020	<u>509,866</u>
At 30 June 2021	<u>509,866</u>
<b>Amortisation:</b>	
At 1 July 2020	(213,202)
Amortisation in period	<u>(214,931)</u>
At 30 June 2021	<u>(428,133)</u>
<b>Net book value:</b>	
At 1 July 2020	<u>296,664</u>
At 30 June 2021	<u>81,733</u>

The carrying amounts of lease liabilities recognised and the movements during the period are

	2021
	£
<b>As at 1 July 2020</b>	313,745
Interest accretion	2,015
Payments	<u>(236,900)</u>
<b>As at 30 June 2021</b>	<u>78,860</u>
Current	78,860

## Notes to the financial statements (continued)

At 30 June 2021

### 15. Leases (continued)

The following are the amounts recognised in the statement of comprehensive income:

	2021	2020
	£	£
Depreciation expense of right-of-use assets	214,931	213,202
Interest expense on lease liabilities	2,015	4,536
Total amount recognised	<u>216,946</u>	<u>217,738</u>

### 16. Issued share capital

	2021		2020	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	7,725,290	<u>7,725,290</u>	7,725,290	<u>7,725,290</u>

### 17. Reserves

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

<i>Reserve</i>	<i>Description and purpose</i>
Share capital	Nominal value of share capital subscribed for.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. Dividends) not recognised elsewhere.

### 18. Share-based payments

The ultimate parent company (The Clorox Company) grants various nonqualified stock-based compensation awards to eligible employees of the Company, including stock options, restricted stock awards and performance shares. All stock-based compensation awards are settled in the equity of The Clorox Company.

#### Stock Options

Stock options are granted with exercise prices equal to the fair value of The Clorox Company stock on the date of grant, generally vest over a period of 48 months in four equal instalments (25% per year) following the first four anniversaries of the grant date and expire 10 years from the date of grant.

The following table illustrates the number of share options exercised during the year and outstanding at year end.

	2021	2020
	No.	No.
Exercised	1,105	1,292
Outstanding at 31 December	31,846	32,951

## Notes to the financial statements (continued)

At 30 June 2021

### 18. Share-based payments (continued)

The weighted average share price at the date of exercise for share options exercised during the period is £219 (2020: £190). For the share options outstanding as at 31 December 2021, the range of exercise prices is from £135 to £212 (2020: £135 to £155) and the weighted average remaining contractual life is 5.67 years (2020: 6.62 years)

#### Restricted Stock Awards

Restricted Stock Awards generally vest upon continued employment over a period of 48 months in four equal instalments (25% per year) following the first four anniversaries of the grant date. They entitle the participant to accrue dividends in the form of additional shares of the Clorox Company that are issued on the vesting date.

The following table illustrates the number of restricted stock awards vested during the year and outstanding at year end.

	2021	2020
	No.	No.
Vested	1,507	376
Outstanding at 31 December	3,656	5,163

The weighted average share price at the vesting date for restricted stock awards vested during the period is £202 (2020: £158). For the restricted stock awards outstanding as at 31 December 2021, the weighted average remaining contractual life is 2.17 years (2020: 2.64 years)

#### Performance Shares

Performance Shares generally vest upon continued employment for a period of 36 months and the attainment of certain performance targets. The number of shares that could vest range from 0% to 200% depending on how well the performance goals are achieved. They entitle the participant to the same benefits as Restricted Stock Awards.

The following table illustrates the number of performance shares vested during the year and outstanding at year end.

	2021	2020
	No.	No.
Vested	203	996
Outstanding at 31 December	1,254	1,457

The weighted average share price at the vesting date for performance shares vested during the period is £228 (2020: £159). For the performance shares outstanding as at 31 December 2021, the weighted average remaining contractual life is 1.09 years (2020: 1.81 years)

### 19. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Burt's Bees 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, California, 94612-1871 United States.

## **Notes to the financial statements (continued)**

**At 30 June 2021**

**19. Ultimate parent undertaking and controlling party (continued)**

The smallest group of which the company is a part is Burt's Bees, 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.