SCJ EurAFNE Limited

Report and Financial Statements

52 week period ending 30 June 2023

Registered No. 4166158

Directors

J M Hayes
T P Howard
A Engle

Secretary

J M Hayes

Auditors

Ernst & Young LLP
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Bankers

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Registered Office

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Strategic report

The directors present their strategic report for the fifty two weeks ended 30 June 2023.

Review of the business

The principal activity of the company is the provision of support services to SC Johnson affiliate companies. There has been no significant change to the principal activity of the company during the period.

The key financial indicators during the period were as follows:

	2023 £000	2022 £000	Change %
Turnover	25,292	23,625	7.1%
Operating profit / (loss)	(994)	(790)	25.8%
Profit / (Loss) before tax	175	(194)	(190.2%)
Equity shareholders' funds	63,786	64,001	(0.3%)
Current assets as % of current liabilities ('quick ratio')	322%	348%	(7.4%)
Average number of employees	281	289	(2.8%)

The company makes a mark-up on all its services recharged to the affiliate SC Johnson companies, and also has a number of residual costs relating to the expansive site at Frimley Green as a legacy of the previously closed factory premises. Turnover represents this recharge of services at mark-up and royalty income from its Baygon and Autan trademark on sales in Europe. The increase in turnover can be attributed to an increase in rechargeable costs, resulting from wage inflation, resumption of travel post COVID and remedial works at the ageing UK Site. Improved European Pest Control sales also saw an increase in Royalty income. Operating profit has been impacted by an impairment for aged intercompany receivables due from entities currently experiencing instability. Profit before tax has been helped by increased interest income as a consequence of stronger interest rates.

The change in the quick ratio reflects increased payables of trade creditors in addition to timing differences on intercompany payments and the ensuing intercompany debtor and creditor positions.

Section 172 (1) Statement

In accordance with Section 172 (1) the directors act in a way they consider in good faith would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) The likely consequence of any decisions in the long term,
b) The interest of the company's employees,
c) The need to foster the company's business relationships with suppliers, customers and others,
d) The impact of the company's operations on the community and the environment,
e) The desirability of the company maintaining a reputation for high standards of business conduct, and
f) The need to act fairly as between members of the company.

Goodwill has never been negotiable – in family, in business or in our products. Since the ultimate parent's founding in 1886, SC Johnson has been guided by our commitment to keep earning the goodwill of the people around us. It matters to us that we do right by employees, consumers, the public and our communities and the world at large, and treat everyone with integrity and respect. These values are our principles.

Strategic report (continued)

Section 172 (1) Statement (continued)

Our People		
In a 1927 speech to employees, Herbert F Johnson Sr said 'The goodwill of people is the only enduring thing in any business. It is the sole substance. The rest is shadow.' These principles were formalised in 1976 in a document known as This We Believe. This was long before companies had values statements or even codes of conduct. We believe that the fundamental vitality and strength of our company worldwide lies in our people.		
Interests and concerns	How we engaged in the period to 30 June 2023	Considerations and outcomes
We maintain good relations among all employees around the world based on a common sense of participation, mutual respect and an understanding of common objectives.	We maintain open two-way communications through various channels, including regular department meetings, briefings and company communication meetings, which promote an understanding of the financial and economic factors affecting the company's performance.	The UK company regularly participates and has been recognised in the 'Great Places to Work', in 2023 featuring in both the 'Great Places to Work' and 'Great Places to Work for Women'

Our community		
SC Johnson has a long history of community involvement, corporate giving and volunteering – to help make lives better for families.		
Interests and concerns	How we engaged in the period to 30 June 2023	Considerations and outcomes
For over 85 years, the global organisation has committed to donate 5% of its pre-tax profits to charities worldwide to make a difference in the communities we work and live in and create a better place for our next generation.	Our donations this year have focused on two main partners, as well as numerous smaller partners. We supported Ocean Generation to increase the numbers of young people in recognising the importance of the Ocean, both through their digital outreach to classrooms and via workshops with Liverpool Football Club. With Save the Children we supported their early years grants projects to help reduce the number of children growing up in poverty. Our smaller grant partners have included support for: The Encephalitis Society to fund live saving research into encephalitis diagnosis and treatment, the local hospital, STEM Days at local schools, the provision of equipment for children with life limiting conditions, young carers to go on a residential respite break and helping to deliver free employment advice services for women in need.	In total, we have been able to support over 90,000 beneficiaries across the UK through our donations this year.

Strategic report (continued)

The environment		
We are committed to reducing our carbon emissions, energy consumption and waste; accelerating the transition to a circular economy; and helping drive sustainability efforts that deliver lasting change.		
Interests and concerns	How we engaged in the period to 30 June 2023	Considerations and outcomes
To protect our planet for generations to come, we prioritize sustainability in our products and manufacturing processes, and support collaborative partnerships to reduce plastic waste.	Over the last FY we have continued to make strong progress on our plastic packaging footprint. As per the latest Ellen MacArthur Foundation report we have delivered industry leading results in our 3 main KPI's. • Virgin plastic reduction: Since 2018, SC Johnson's virgin plastic use is down 28%. Our commitment for 2025 is 30%. • Percent of post-consumer recycled plastic: We are working to include at least 25% post-consumer recycled content in plastic packaging by 2025, and we are already at 22%. • Percent of plastic packaging that is recyclable, reusable or compostable: As noted in the report, we continue to make progress and are now at 55%. Other focus area is to reduce greenhouse gas (GHG) emissions. We have made progress for decades and we've been integrating renewable energy sources for over 34 years. We've cut our manufacturing greenhouse gas emissions by 69% since 2000. By 2025, we aim to have reduced our manufacturing GHG emissions by 90% compared to our 2000 baseline. Both our European factories operate with 100% wind power and are Zeo waste to landfill facilities.	We have continued to transform our UK portfolio to deliver on our ambition. Here a few examples: • We have enlarged our UK portfolio that uses recovered costal plastic, expanding from Mr Muscle triggers bottles to Toilet Duck Biodegradable Gel and Fresh Discs. This way we are replacing virgin plastic but also positively impacting the life of te communities more impacted by the Ocean plastic crisis. • We have replaced our multi-material trigger spray by an all-plastic alternative to improve it's recyclability. • We have launched Duck Toilet Gel with a Biodegradable formula and a recyclable packaging. • We have continued our strategic partnership with Liverpool football club to drive awareness towards the need to recycle, as well as OPRL to provide accurate disposal instructions on our products.

Our suppliers		
We conduct our business in a fair and ethical manner by treating our suppliers fairly and reasonably, according to sound commercial practices. We encourage the use of local suppliers and services offering competitive quality and prices.		
Interests and concerns	How we engaged in the period to 30 June 2023	Considerations and outcomes
Our suppliers need to be assured they be treated fairly, and most importantly paid on time for the goods they supply to us.	Engagement is ongoing throughout the financial year and reflected in our day to day interactions with key vendors as part of our routine business operations. We endeavour to resolve disputes timely and seek to maintain an open and transparent two-way communication process.	We strive to pay our suppliers on time and work with them actively where necessary to ensure any challenges they have are addressed.

Strategic report (continued)

Principal risks and uncertainties

The company has established a risk and management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

With respect to foreign currency risk, our principal objective is to reduce the effect of exchange rate volatility on the Income Statement. Currency exposures that could significantly impact the Income Statement are managed using forward foreign currency contracts.

The company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the company. The company also manages liquidity risk via revolving credit facilities and debt payable on demand.

In the UK, there are continuous legislative changes impacting the company which management need to remain aware of, in order to ensure the company remains compliant. Compliance imposes additional costs and failure to comply with the legislation could result in fines for the company and reputational damage.

The company is dependent on the wider SC Johnson group for cash resources via the group cash pooling facility. In view of this the directors have confirmed that SC Johnson & Son Inc, intends to make funds available to the Company to enable it to meet its liabilities as they fall due for the going concern assessment period of 12 months from the approval of the financial statements.

The company has not seen a significant impact as a result of the UK's exit from the European Union. We continue to monitor the impact on the UK business as potential regulatory divergence occurs.

With regards to climate risk, SC Johnson is at work to create a more sustainable world by lightening our own carbon footprint and taking steps to help and inspire families, communities and organisations to lighten theirs. As a result, now, when UK shoppers pick up Mr Muscle Platinum Window & Glass cleaner, they'll be reaching for a bottle that's made from 100% recycled ocean-bound plastic.

By order of the board

J M Hayes

18 December 2023

Directors' report

The directors present their report and audited financial statements for the fifty two weeks ended 30 June 2023.

Directors of the company

The current directors are shown on page 1.

Proposed dividend

The directors do not recommend the payment of a dividend (2022: nil) and the loss after tax of £215,000 (2022 – loss of £56,000) has been transferred to reserves.

Future developments

The directors aim to continue in the provision of support services that seek to enhance operating effectiveness and efficiency of SC Johnson affiliate companies.

Employee policies and involvement

We maintain good relations among all employees based on a sense of participation, mutual respect and an understanding of common objectives. We maintain open two-way communications through various channels, including regular department meetings, briefings and company communication meetings, which promote an understanding of the financial and economic factors affecting the company's performance. Employees participate directly in the success of the business through the group's profit sharing scheme. We manage our business in such a way that we can provide security of regular employees by pursuing a long term policy of planned, orderly growth and retaining regular employees, if at all possible, as conditions change. We will retrain employees who have acceptable performance and in positions no longer needed, provided suitable jobs are available.

Disabled employees

We provide equal opportunities in employment and advancement by hiring and promoting employees without discrimination, using qualifications, performance and experience as the principal criteria. The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. If existing employees become disabled every effort is made to find them suitable work within the company and training is provided if necessary.

Going concern

As outlined further in note 1 to the financial statements, the directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the going concern assessment period of 12 months from the approval of the financial statements. No material uncertainties that could cast significant doubt about the ability of the company to continue as a going concern have been identified. This conclusion has been reached after receipt of a corporate support letter issued by the parent company. Accordingly, we continue to adopt the going concern basis in preparing the annual report and accounts.

Directors' liability insurance and indemnities

S.C. Johnson & Son Inc., the company's parent company, maintains Directors' and Officers' Liability insurance in respect of legal action that might be brought against directors of companies within the group and the directors of the company are covered by this insurance. The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditors

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

Directors' report (continued)

Energy and carbon reporting

All the Streamlines Energy and Carbon Reporting (SECR) data requirements for unquoted 'large' companies have been met and the energy consumption and emissions are reported below for the fifty two weeks ended 30 June 2023. This includes UK consumption of electricity, gas and transport fuels where the company is responsible for the fuels. In order to calculate emissions, information is sourced from utility bills from suppliers, company energy recording spreadsheets (FUU1), sanity checks provided by automated on-site energy meter reading and recording systems (AM&T). Conversion factors used are DEFRA approved for converting S.I. units of energy, and the company expenses reporting system is used to provide all business transportation information.

Electricity is purchased through REGO certified energy suppliers from mixed renewable sources.

GHG emissions data	2023 tCO2e	2022 tCO2e
Scope 1: Emissions from combustion of gas	180.3	166
Scope 2: Emissions from purchased electricity	0	0
Scope 3: Emissions from transport	8.4	10.6
Total emissions	188.7	176.6
Intensity ratio		
Total emissions	188.7	176.6
Floor space m2	8,894	8,146
Intensity ratio (tCO2e / m2)	0.02	0.02

	2023	2022
Aggregate annual quantity of energy consumed from activities for which the company is responsible involving the combustion of gas or fuel for the purposes of transport and the annual quantity of energy resulting from the purchase of electricity by the company for its own use, including transport.	Gas: 884,854 kWh Electricity: 1,044,426 kWh Transport: 23,140 kWh	Gas: 842,718 kWh Electricity: 867,332 kWh Transport: 28,132 kWh

Energy consumption increased over the last year due to the offices being re-opened following 2 years of lockdowns. Also impacted by additional office space created by temporary Portacabins.

As a global business SC Johnson is planning to implement technologies in its premises to reduce our impact on the environment. Conceptual plans for the Frimley site are currently being drawn up to make the site carbon neutral (Net Zero). Technologies such as solar, wind turbine and geothermal are all being investigated as part of a total restructuring of our premises at Frimley.

Directors' report (continued)

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution is proposed at the Annual General Meeting to re-appoint Ernst & Young LLP as the auditors of the company.

On behalf of the Board

J M Hayes

Director

18 December 2023

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 102 of FRS 102 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Opinion

We have audited the financial statements of SCJ EurAFNE Limited for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 of 12 months from when the financial statements are authorised for issue.

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

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.

Other information (continued)

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 9 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.

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 reporting framework (Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.

- We understood how SCJ EurAFNE Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. Our audit procedures were designed to either corroborate or provide contrary evidence, the results of which were followed up appropriately.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was higher, we performed incremental audit procedures to address each identified fraud risk.

  These procedures included a recalculation of intercompany revenue based on the terms and conditions stipulated within the intercompany recharge agreement, reconciliation of the intercompany recharge to the counterparty, detailed transaction testing of expense records and the deployment of data analytics in our execution of journal entry testing procedures. All such procedures were designed to respond to the identified risk over the inappropriate posting of unauthorised topside revenue journals.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify any noncompliance with laws and regulations, assessment of financial statement disclosures to ensure compliance with relevant reporting frameworks and enquiries of management and those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

to the members of SCJ EurAFNE Limited (continued)

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

Tristan Allen (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

18 December 2023

Statement of Comprehensive Income

for the fifty two weeks ended 30 June 2023

	Notes	*2023* *£000*	*2022* *£000*
Turnover	2	25,292	23,625
Cost of Sales		(22,063)	(20,764)
Gross profit		3,229	2,861
Administrative expenses		(4,223)	(3,651)
Operating Profit / (loss)	3	(994)	(790)
Interest receivable and similar income on loans to group undertakings	6	1,169	596
Profit / (loss) on ordinary activities before taxation		175	(194)
Tax on profit / (loss) on ordinary activities	7	(390)	138
Profit / (loss) for the financial period		(215)	(56)
Total comprehensive income / (loss)		(215)	(56)

All results relate to continuing operations

Statement of changes in equity

for the fifty two weeks ended 30 June 2023

	Called-up capital	*Share Premium*	*Profit and loss account*	*Total Equity*
	£000	*£000*	*£000*	*£000*
At 2 July 2021	25,369	50,848	(12,160)	64,057
Total comprehensive (loss) for the period	-	-	(56)	(56)
At 1 July 2022	25,369	50,848	(12,216)	64,001
Total comprehensive (loss) for the period	-	-	(215)	(215)
At 30 June 2023	25,369	50,848	(12,431)	63,786

Statement of financial position
at 30 June 2023

	Notes	*2023 £000*	*2023 £000*	*2022 £000*	*2022 £000*
Fixed Assets					
Intangible assets	8		8,486		9,530
Tangible assets	9		5,406		2,805
			13,892		12,335
Current assets					
Debtors: amounts falling due within one year	10	72,529		73,054	
		72,529		73,054	
Creditors: amounts falling due within one year	11	(22,525)		(21,014)	
Net current assets			50,004		52,040
Total assets less current liabilities			63,896		64,375
Provisions for liabilities	12		(110)		(374)
Net assets			63,786		64,001
Capital and reserves					
Called up share capital	14		25,369		25,369
Share premium account	15		50,848		50,848
Profit and loss account	15		(12,431)		(12,216)
			63,786		64,001

Signed on behalf of the Board

18 December 2023

J M Hayes
Director
Company registration number 4166158

Notes to the financial statements

at 30 June 2023

1. Accounting policies

Statement of compliance

SCJ EurAFNE Limited is a private company limited by shares, incorporated in England. The Registered Office is Frimley Green Road, Frimley Green, Camberley, Surrey GU16 7AJ.

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Basis of preparation and change in accounting policy

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

Going concern

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

Within the last fiscal year, geo-political events have resulted in an escalation of commodity prices associated with the availability and cost of gas, oil and other staple products causing inflationary pressure and rising costs. With wage increase rates not keeping pace with cost inflation and many consumers forced to make difficult choices on how their income is spent, the wider SC Johnson group faces pressure to keep its products on shelf whilst still representing value for money. The SC Johnson group continually reviews its ingredients list and is committed to taking cost increases necessary for a sustainable business model.

Taking into consideration the current environment and the company and wider group's product/service offerings and customer base, the Directors expect the company to remain profitable and generate positive cash flows giving the company the ability to continue to operate for the going concern assessment period of 12 months from the date of approval of the financial statements.

The global SC Johnson organisation has considerable financial resources and continues to trade profitably. The company and wider group undertake a regular, detailed and well-practiced forecasting process which allows the Directors to take a view on the business scenarios. The Directors are satisfied, based on current projections, that the company has, and will continue to have, sufficient cash resources to meet its liabilities as they fall due.

The group operates a cash pooling arrangement, whereby the amounts in the Company's bank accounts are swept periodically for group treasury purposes. As a result, the directors have obtained a letter of support from the ultimate parent company SC Johnson & Son Inc, which states that they will provide financial support to assist the company in meeting their liabilities as and when they fall due but only to the extent that money is not available to the company to meet such liabilities. After having made the necessary enquiries to assess the Parent's ability to support including an understanding of the forecasts, cash position and debt commitments of the Group, the directors are satisfied that they are able to provide financial support should the Company require for a period of 12 months from the date of approval of the financial statements.

Thus, the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Statement of cash flows

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company, Johnson Wax Limited, includes the company's cash flows in its own consolidated financial statements.

Notes to the financial statements

at 30 June 2023

1. Accounting policies (continued)

Key management personnel compensation and financial instrument disclosure exemptions:

The company is a qualifying entity as defined by FRS 102 and has taken advantage of the following exemptions available to qualifying entities which are relevant to its financial statements:

- the requirement to disclose information about key management personnel compensation;

- the disclosure requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) in respect of financial instruments of the company (as equivalent disclosures are included in respect of the consolidated financial statements).

Related party transactions

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

Judgements and key sources of estimation and uncertainty

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

Operating lease commitments

The company is committed to motor vehicle and a commercial property leases. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

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

Intangible assets

The company establishes a reliable estimate of the useful life of intangible assets. This estimate is based on a variety of factors such as the expected useful life of the brands and assumptions that market participants would consider in respect of similar businesses. The useful economic lives of intangible assets are as follows:

Trademarks	50 years

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

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The carrying value of fixed assets is considered when impairment indicators arise. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write-off the cost, less estimated residual value, of each asset over the period of its estimated useful life on a straight-line basis, with 6 months depreciation being charged in the year of acquisition and disposal, if required. The principal rates of depreciation (based on original cost) are as follows:

Notes to the financial statements

at 30 June 2023

1. Accounting policies (continued)

Tangible assets (continued)

Freehold buildings	2.5% - 6.7% per annum
Leasehold premises	Over the term of the lease
Plant and equipment	10% - 20% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of non-financial assets

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

Significant accounting policies

Turnover

Turnover represents amounts receivable for services provided in the normal course of business to affiliated companies, net of VAT and other sales related taxes. Also included in turnover is royalty income arising on sales of Baygon and Autan products in authorised territories across Europe. Royalties shall be recognised on an accrual basis in accordance with the substance of the relevant agreement.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange 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.

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Separation pay is payable on the retirement of employees who commenced work for the company before 31 December 1993 and is based on the number of years continuous service with the company. Provision is made for separation pay in accordance with the detailed terms of the separation pay policy on the basis of accrued length of service. Redundancy pay is provided when the company has a detailed plan for the termination and the impacted positions are reasonably certain to be eliminated. Where impacted roles related to project work, the provision may be in place for in excess of 12 months until the project is completed. The company will continue to work with existing employees to offer an alternative employment position until the redundancy is completed.

Notes to the financial statements

at 30 June 2023

1. Accounting policies (continued)

Derivative instruments

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

The company does not undertake any hedge accounting transactions.

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and short term deposits.

Short term debtors and creditors

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

Pension scheme arrangements

The company is a participating employer of the Johnson Wax Retirement and Life Assurance Plan defined benefit group pension scheme, which is non-contributory and contracted out of the State Earnings Related Pension Scheme. The assets of the scheme are held separately from those of the Company in separate trustee administered funds. The fund is valued every three years by a professionally qualified independent actuary on both a going concern and a discontinuance basis, the rate of contributions payable being determined on the advice of the actuary.

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in the period.

The company participated in a defined contribution (money purchase) scheme established at 1 January 1999 for new employees joining the company from that date. After consultation with active members, from 1 March 2018 the company moved new contributions to an external Master Trust arrangement and existing investments with the former defined contributions scheme transitioned to the Master Trust from 13 June 2018. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the financial statements

at 30 June 2023

1. Accounting policies (continued)

Operating lease commitments

The company has entered into a number of leases as a lessee to obtain the use of its motor vehicle fleet, holiday lodge site, and also holds commercial property operating leases. The rentals payable for the leases have been determined to represent operating leases and are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

2. Segmental analysis

Turnover represents the amounts derived from the provision of services which fall within the Company's ordinary activities, stated net of value added tax. Turnover also includes royalties on product sales within the geographic area covered by the royalty agreement.

Turnover is analysed as follows:

Geographic area	*2023*	*2022*
	£000	*£000*
Switzerland	12,260	9,985
United States	4,865	4,630
United Kingdom	1,471	1,502
Rest of Europe	4,913	4,991
Rest of the World	1,783	2,517
	25,292	23,625

Area of activity	*2023*	*2022*
	£000	*£000*
Service income	23,163	21,800
Royalty income	2,129	1,825
	25,292	23,625

3. Operating profit / (loss)

This is stated after charging / (crediting):	*2023*	*2022*
	£000	*£000*
Depreciation of owned assets	497	445
Amortisation of intangible fixed assets	1,044	1,044
Rentals under operating leases – plant and machinery	35	30
– other	277	15
Foreign exchange differences	(44)	282
Auditors remuneration – audit of the financial statements	390	371
– non-audit services	-	1

Notes to the financial statements

at 30 June 2023

4. Directors' remuneration

	2023 £000	2022 £000
Aggregate remuneration in respect of qualifying services	332	335

One director is a member of the group's defined benefit scheme. No directors are members of the money purchase scheme. The above amounts for remuneration include £332,000 (2022 – £335,000) in respect of the highest paid director. The accrued pension of the highest paid director was £94,000 (2022 – £90,000). Three directors of the company are also directors or officers of other Johnson Wax group companies, and the emoluments have been borne by those companies. The directors' services to the company do not occupy a significant amount of their time, as such the directors do not consider that they have received any remuneration for their incidental services to the company for the period ended 30 June 2023.

5. Staff costs

	2023 £000	2022 £000
Wages and salaries	12,996	12,393
Social security costs	1,747	1,628
Pension costs (see note 16)	1,081	1,075
	15,824	15,096

Included in pension costs are £nil (2022: £nil) in respect of the defined benefit scheme and £1,081,000 (2022: £1,075,000) in respect to defined contribution costs.

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

	2023 No.	2022 No.
Services	274	282
Administration	7	7
	281	289

6. Interest receivable

	2023 £000	2022 £000
Interest received from group undertakings	1,169	596

Notes to the financial statements

at 30 June 2023

7. Tax on profit on ordinary activities

(a) Analysis of the charge / (credit) in the period

The tax charge / (credit) comprises:

	2023	*2022*
	£000	*£000*
Current tax:		
Group relief – adjustments in respect of prior periods	(62)	9
Group relief – adjustments in respect of current period	(35)	(266)
Total current tax (credit)	(97)	(257)
Deferred tax:		
Origination and reversal of timing differences	286	231
Impact of change in UK tax rate – current year	23	(105)
Impact of change in tax rate – opening balance	42	-
Adjustments in respect of prior periods	136	(7)
Total deferred tax charge	487	119
Total tax charge / (credit) on profit / (loss) on ordinary activities	390	(138)

(b) Factors affecting tax charge / (credit) for period

The tax assessed on the profit / (loss) on ordinary activities for the period is higher (2022 – higher) than the standard rate of corporation tax in the UK of 20.50% (2022 – 19.00%). The differences are reconciled below:

	2023	*2022*
	£000	*£000*
(Loss) / profit on ordinary activities before tax	175	(194)
Tax on profit / (loss) on ordinary activities at standard UK corporation tax rate of 20.50% (2022: 19.00%)	36	(37)
Effect of:		
Expenses not deductible for tax purposes	238	1
Impact of change in UK tax rate	42	(105)
Adjustments in respect of prior periods	74	3
Total tax charge / (credit)	390	(138)

(c) Factors affecting future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the COVID-19 pandemic. These included an increase to the UK's main corporation tax rate from 19% to 25%, which became effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021 – 22%).

Notes to the financial statements

at 30 June 2023

8. Intangible fixed assets

	Trademarks
	£000
Cost:	
At 1 July 2022 and 30 June 2023	52,215
Amortisation:	
At 1 July 2022	42,685
Charge for the period	1,044
At 30 June 2023	43,729
Net book value at 30 June 2023	8,486
Net book value at 1 July 2022	9,530

Amortisation of intangible fixed assets is included in administrative expenses. The intangible asset has arisen on the acquisition of the Baygon and Autan trademarks and is being amortised evenly over the useful life of 50 years as estimated at the date of acquisition, based on the expected use and assumptions that market participants would consider in respect of similar businesses. The Company performs its annual indicators of impairment assessment in June 2023 and 2022. No impairment indicators were noted during management's assessment in either period.

9. Tangible fixed assets

	Freehold land and buildings	*Long leasehold*	*Plant and equipment*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 1 July 2022	8,783	14	4,500	13,297
Additions	2,657	-	441	3,098
At 30 June 2023	11,440	14	4,941	16,395
Depreciation:				
At 1 July 2022	7,707	9	2,776	10,492
Charge for the period	185	-	312	497
At 30 June 2023	7,892	9	3,088	10,989
Net book value at 30 June 2023	3,548	5	1,853	5,406
Net book value at 1 July 2022	1,076	5	1,724	2,805

The carrying amount of plant and equipment as at 30 June 2023 includes £373,000 of assets under construction (1 July 2022: £391,000).

Notes to the financial statements
at 30 June 2023

10. Debtors: amounts falling due within one year

	2023 *£000*	*2022* *£000*
Amounts owed by fellow group undertakings	69,158	69,491
Called up share capital not paid	1,717	1,717
Other taxation and social security	766	408
Prepayments and accrued income	47	320
Group relief	364	539
Derivative financial instruments	-	-
Deferred tax (note 13)	33	520
Other debtors	444	59
	72,529	73,054

Included in amounts owed by fellow group undertakings are £53,001,000 (2022 – £56,743,000) unsecured loan notes receivable on demand with an interest rate of 2.00% (2022: 0.96%).

11. Creditors: amounts falling due within one year

	2023 *£000*	*2022* *£000*
Trade creditors	1,070	385
Amounts owed to fellow group undertakings (unsecured and payable on demand)	19,562	18,706
Derivative financial instruments	25	24
Accruals and deferred income	1,868	1,899
	22,525	21,014

12. Provisions for liabilities

	Redundancy pay *£000*	*Separation pay* *£000*	*Total* *£000*
At 1 July 2022	250	124	374
Utilised	(250)	(22)	(272)
Provided	-	8	8
At 30 June 2023	-	110	110

Separation pay is payable on the retirement of employees who commenced work for the company before 31 December 1993 and is based on the number of years continuous service with the company. The youngest eligible member has 7 years to plan retirement age.

Redundancy costs relate to headcount reductions and were utilised following the year end.

Notes to the financial statements

at 30 June 2023

13. Deferred tax

Deferred tax included in note 10 is as follows:

	2023 *£000*	*2022* *£000*
Timing differences in relation to tangible and intangible fixed assets	(61)	418
Other timing differences	94	102
	33	520

The movement on deferred taxation comprises:

	£000
At 1 July 2022	520
Origination and reversal of timing differences	(286)
Impact of change in tax rate	(65)
Adjustment in respect of prior period	(136)
At 30 June 2023	33

The amount of the net reversal of deferred tax expected to occur next year is £418,000 (2022: £506,000) relating to the reversal of existing timing differences on tangible and intangible fixed assets.

14. Share capital

	2023 *£000*	*2022* *£000*
Authorised		
50,000,000 ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
23,652,770 ordinary shares of £1 each	23,652	23,652
Not paid		
1,716,563 ordinary shares of £1 each	1,717	1,717
	25,369	25,369

15. Reserves

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

Share premium account – includes any premiums received on issue of share capital.

Profit and loss account – includes all current and prior period retained profits and losses.

Notes to the financial statements

at 30 June 2023

16. Pensions and other post-retirement benefits

The Johnson Wax group provides pension arrangements for the majority of full time employees through the Johnson Wax Retirement and Life Assurance Plan. Johnson Wax Limited is the sponsoring employer and has legal responsibility for the Plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities therefore this is accounted for entirely in the Johnson Wax Limited accounts. As such, the Company accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in the period. The related costs of the plan are assessed in accordance with the advice of professionally qualified actuaries. Should the defined benefit obligation fall into a new net liability position, the company would be liable to pay additional contributions to the Plan in order to eliminate any deficit in relation to its employees.

The most recent full actuarial valuation of the defined benefit scheme was conducted as at 1 January 2022 using a marketed approach. The valuation of the scheme updated by the actuaries as at 30 June 2023 to reflect conditions at that date showed a surplus of £49.6 million with assets of £180.3 million and liabilities of £130.7 million. Full details are disclosed in the accounts of Johnson Wax Limited.

The pension cost charge for the period for the defined benefit scheme was £nil (2022 – £nil). The pension costs charged for the period for the money purchase plan was £1,081,000 (2022 – £1,075,000).

17. Financial instruments

	2023	*2022*
	£000	*£000*
Financial assets / (liabilities) at fair value through the income statement		
Forward foreign currency contracts	(25)	(24)

The company purchases forward foreign currency contracts to hedge currency exposure on future commitments. The derivative financial instruments are held at fair value through the income statement. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

18. Obligations under lease contracts and other commitments

(a) Lease commitments

The company uses operating leases to acquire its motor vehicle fleet and holiday lodge site. The leases do not transfer ownership to the Company, and although there is the option to purchase the car at the end of the lease term at market price, this has never been exercised. The Company has the option to cancel leases at any time.

The company also holds commercial lease agreements. These leases do not transfer ownership of the asset at the end of the lease term, and there is no option to purchase the properties at the end of the lease term. The lease term is not for the major part of the economic life of the property, and the present value of the minimum lease payments are not substantially all of the fair value of the property.

Notes to the financial statements

at 30 June 2023

18. Obligations under lease contracts and other commitments (continued)

Future minimum lease payments due under operating leases:

	2023 *£000*	*2022* *£000*
Land and buildings - amounts payable:		
Not later than one year	353	15
Later than one year but not later than five years	130	61
Later than five years	867	748
Other leases – amounts payable:		
Not later than one year	25	9
Later than one year but not later than five years	2	6
	1,377	839

(b) Capital commitments

At the period end the company had no capital commitments contracted for but not provided (2022 – £nil).

19. Ultimate and immediate parent companies

The ultimate parent company is S.C. Johnson & Son Inc., incorporated in the USA and the immediate parent company is Johnson Wax Limited, a company incorporated in England and Wales. The smallest group in which the results of the company are consolidated is that headed by Johnson Wax Limited, whose principal place of business is at Frimley Green, Camberley, Surrey GU16 7AJ. The largest group in which the results of the Company are consolidated is that headed by S.C. Johnson & Son Inc., whose principal place of business is 1525 Howe Street, Racine, Wisconsin, 53403-2236, USA.