

Deb Holdings Limited

Report and Financial Statements

30 June 2017

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Corporate information

Directors

B Anderson
N Matterson

Registered Office

Denby Hall Way
Denby
Derbyshire DE5 8JZ

Registered Number

04113118

Strategic report

The directors present their strategic report and the financial statements for the period ended 30 June 2017.

Principal activity and review of the business

The Company serves as a parent undertaking for a number of companies engaged in the manufacture and sale of skin care and surface cleaning products and systems.

The Company made a profit for the period after taxation of £15,734,000 (18 months ended 1 July 2016 – £8,036,000). The Company has net assets of £142,710,000 (18 months ended 1 July 2016 – £126,976,000). The directors are satisfied with the performance of the Company during the period under review.

Key performance indicators

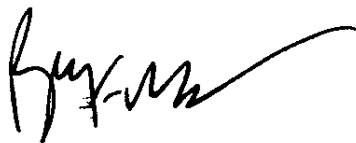
Given the straight forward nature of the business, the Company directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

As a parent undertaking, the principal risks and uncertainties for the Company are in respect of financial risk and capital management.

A full explanation of the financial risk of the Group can be found in note 20 of the SCJ UK Finco Limited group financial statements, of which the Company is included.

On behalf of the Board



B Anderson

Director

Date 29/01/2018

Directors' report

The directors present their report and financial statements for the period ended 30 June 2017.

Results and dividends

The profit for the period after taxation amounted to £15,734,000 (18 months ended 1 July 2016 – profit of £8,036,000). The directors recommend a final dividend £nil (18 months ended 1 July 2016 – £nil). No interim dividend was paid (18 months ended 1 July 2016 – £nil).

Directors

The directors who served the company during the period were as follows:

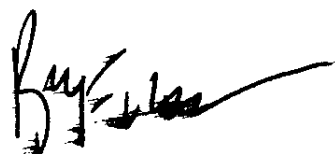
B Anderson

N Matterson

Audit Exemption

For the period ended 30 June 2017 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006. No member required the Company to obtain an audit of its accounts for the period in question, in accordance with Section 476.

On behalf of the Board



B Anderson

Director

Date 29/01/2018

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 period. 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

Income statement

for the period ended 30 June 2017

	<i>Period ended 30 June 2017 £000</i>	<i>18 months ended 1 July 2016 £000</i>
<i>Notes</i>		
Administrative expenses	(12)	(6)
Income from shares in group undertakings	9,679	144
Other operating income	12	-
Operating profit	9,679	138
Interest receivable and similar income	5 10,000	12,977
Interest payable and similar charges	6 (2,455)	(3,122)
Profit on ordinary activities before taxation	17,224	9,993
Tax on profit on ordinary activities	7 (1,490)	(1,957)
Profit for the financial period	15,734	8,036

All amounts relate to continuing activities.

Statement of comprehensive income

for the period ended 30 June 2017

	<i>Period ended 30 June 2017 £000</i>	<i>18 months ended 1 July 2016 £000</i>
Profit for the period	15,734	8,036
Total comprehensive income for the period	15,734	8,036

Balance sheet

at 30 June 2017

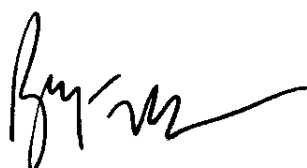
		30 June 2017 £000	1 July 2016 £000
	Notes		
Fixed assets			
Investments	8	70,985	70,985
Current assets			
Debtors	9	131,309	114,625
Cash at bank and in hand		-	-
		131,309	114,625
Creditors: amounts falling due within one year	10	(59,584)	(58,634)
Net current assets		71,725	55,991
Total assets less current liabilities		142,710	126,976
Net assets		142,710	126,976
Capital and reserves			
Called up share capital	11	74	74
Share premium account	12	73,526	73,526
Profit and loss account	12	69,110	53,376
Total equity		142,710	126,976

For the period ending 30 June 2017 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with Section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board



B Anderson
Director

Date: 29/01/2018

Registered Number: 04113118

Statement of changes in equity

at 30 June 2017

The notes on pages 8 to 14 form part of these financial statements.

	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Retained earnings £000</i>	<i>Total equity £000</i>
At 1 January 2015	74	73,526	45,340	118,940
Profit for the financial period	-	-	8,036	8,036
At 2 July 2016	74	73,526	53,376	126,976
Profit for the financial period	-	-	15,734	15,734
At 30 June 2017	74	73,526	69,110	142,710

Notes to the financial statements

at 30 June 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the period ended 30 June 2017 were authorised for issue by the board of directors on 29 January 2018 and the balance sheet was signed on the board's behalf by B Anderson. The company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with the 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 rounded to the nearest thousand pounds (£000), except when otherwise indicated.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. There were no transition adjustments required as a result of the transfer to FRS 101, other than to presentation.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 30 June 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) 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;
- b) The requirements in IAS 7 to prepare a Cash Flow Statement
- c) 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 party to the transaction is wholly owned by such a member.

Going concern

The Company's business activities are set out in the Directors' Report on page 3 and in the Strategic report on page 2. The Company was acquired by SCJ UK Finco Limited on 25 March 2015, with the ultimate parent undertaking being SC Johnson and Son Inc. The Company has full support of its shareholders for the foreseeable future.

In addition, the Company has sufficient financial resources, both through generating cash flow surpluses and retained profits. As a consequence, the directors believe that the Company is well placed to manage its business risk successfully.

The Company's parent undertaking, SCJ UK Finco Limited, disclosed a net loss of £0.7m in its group financial statements, in the period to 30 June 2017, but this is principally due to the funding structure of the Group. The Group has been financed through related party loans on which interest of £30.5m was charged in the period.

The Group is generating cash flow surpluses and has well established relationships with customers and suppliers. As a consequence, the directors believe that the Group is a going concern and is well placed to manage its business risk successfully.

Notes to the financial statements

at 30 June 2017

2. Accounting policies (continued)

Going concern (continued)

In addition the Group is generating cash flow surpluses and has well established relationships with customers and suppliers. As a consequence, the directors believe that the Group is a going concern and is well placed to manage its business risk successfully.

Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange 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 translation differences are taken to the profit and loss account.

3. Director's remuneration

None of the directors who served during the period received any remuneration for services to the company (18 months ended 1 July 2016 – £nil).

4. Staff costs

The company has no employees other than the directors and consequently no employee costs.

Notes to the financial statements

at 30 June 2017

5. Interest receivable and similar income

	<i>Period ended 30 June 2017 £000</i>	<i>18 months ended 1 July 2016 £000</i>
Bank interest receivable	25	65
Interest on loans to parent undertakings	1,988	6,966
Interest on loans to subsidiary undertakings	5,242	585
Foreign exchange gains	2,745	5,361
	<u>10,000</u>	<u>12,977</u>

6. Interest payable and similar charges

	<i>Period ended 30 June 2017 £000</i>	<i>18 months ended 1 July 2016 £000</i>
Bank interest payable	45	12
Interest on loans from parent undertakings	-	3,077
Interest on loans from subsidiary undertakings	2,410	33
	<u>2,455</u>	<u>3,122</u>

Notes to the financial statements

at 30 June 2017

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	<i>Period ended 30 June 2017 £000</i>	<i>18 months ended 1 July 2016 £000</i>
Current tax:		
Group relief receivable on the profit for the period	1,490	1,964
Adjustment in respect of prior periods	-	(7)
Tax on profit on ordinary activities	<u>1,490</u>	<u>1,957</u>

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19.75% (18 months ended 1 July 2016 – 20.16%). The differences are explained below:

	<i>Period ended 30 June 2017 £000</i>	<i>18 months ended 1 July 2016 £000</i>
Profit on ordinary activities before taxation	17,224	9,993
Profit on ordinary activities before taxation multiplied by standard rate in the UK of 19.75% (18 months ended 1 July 2016 – 20.16%)	3,402	2,015
<i>Effects of:</i>		
Costs and revenue disallowed for tax purposes	(1,912)	(51)
Adjustment in respect of prior periods	-	(7)
Current tax for the period (note 7(a))	<u>1,490</u>	<u>1,957</u>

(c) Factors that may affect future tax charges

In 2015, reductions to the rate of corporation tax to 19% (effective 1 April 2017) and 18% (effective 1 April 2020) were enacted.

In the budget of 2016, the Chancellor of the Exchequer proposed a further reduction to the rate of corporation tax to 17%, effective 1 April 2020. This change was substantively enacted by the Finance Act 2016 on 15 September 2016. The impact of any resulting changes to the valuation of any deferred tax assets and liabilities is reflected within the Financial Statements.

Notes to the financial statements

at 30 June 2017

8. Investments

*Shares in
subsidiary
undertaking
£000*

At 30 June 2017

70,985

The Company had the following investments in subsidiaries as at the 2017 period-end:

	<i>Country of incorporation</i>	<i>Principal activity</i>
Deb Iberia SL	Spain	
Deb Benelux BV	Netherlands	
Deb Sverige AB	Sweden	
Deb Swarfega AS	Denmark	
Deb Swarfega Norge AS	Norway	
Deb New Zealand Limited	New Zealand	Sale of skin care and surface cleaning products and systems
Deb Singapore Pte. Limited	Singapore	
Deb France SAS	France	
Deb Malaysia SDN BHD	Malaysia	
Deb Stoko CH AG	Switzerland	
Deb-STOKO Europe GmbH Magyarországi Kereskedelmi Képvislete	Hungary	
Deb-STOKO Europe GmbH Deb Limited	Germany	Manufacture and sale of skin care and surface cleaning products and systems
Deb Australia Pty Limited	England and Wales	
Deb Canadian Hygiene Inc	Australia	
Deb Worldwide Healthcare Inc	Canada	
Deb Dispensing Limited	England and Wales	Manufacture and sale of skin care systems
Deb-STOKO LLC	Russia	
Deb Dispensing Inc	Canada	
DebMed Canada Inc	Canada	Hand hygiene compliance monitoring
Deb IP Limited	England and Wales	Holding and development of intellectual property
Deb Finland OY	Finland	
Pibed Limited	England and Wales	Dormant companies
DebMed Limited	England and Wales	
Appor Limited	England and Wales	

The Company directly or indirectly owns 100% of the issued share capital of all of its subsidiary undertakings.

In the opinion of the directors the value of the Company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

Notes to the financial statements

at 30 June 2017

9. Debtors: amounts falling due within one year

	<i>30 June 2017 £000</i>	<i>1 July 2016 £000</i>
Amounts owed by parent undertakings	124,418	106,936
Amounts owed by subsidiary undertakings	6,243	7,041
Other debtors	648	648
	<u>131,309</u>	<u>114,625</u>

10. Creditors: amounts falling due within one year

	<i>30 June 2017 £000</i>	<i>1 July 2016 £000</i>
Bank overdraft	12	2,318
Trade creditors	-	3
Amounts owed to parent undertakings	1,634	2,043
Amounts owed to subsidiary undertakings	53,678	51,502
Group relief payable	4,260	2,763
Accruals and deferred income	-	5
	<u>59,584</u>	<u>58,634</u>

11. Issued share capital

	<i>30 June 2017 No.</i>	<i>30 June 2017 £000</i>	<i>1 July 2016 No.</i>	<i>1 July 2016 £000</i>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	74,000	<u>74</u>	74,000	<u>74</u>

12. Movements on reserves

	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>
At 2 July 2016	73,526	53,376
Profit for the period	-	15,734
At 30 June 2017	<u>73,526</u>	<u>69,110</u>

13. Contingent liabilities

The company and its subsidiary undertakings have provided guarantees to the Group's bankers in respect of the Group's net bank borrowings, which at 30 June 2017 amounted to £865,000 (1 July 2016 – £200,000).

Notes to the financial statements

at 30 June 2017

14. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Dualwise Limited which is incorporated in the United Kingdom. The Company's ultimate parent undertaking is SC Johnson and Son Inc. a company registered in the United States of America. SCJ UK Finco Limited represents the smallest group of companies for which Group financial statements are drawn up and of which the Company is a member. Copies of the financial statements of SCJ UK Finco Limited can be obtained from Denby Hall Way, Denby, Derbyshire, DE5 8JZ.