

Deb Swarfega A/S

Agerhatten 27B, 5220 Odense SØ

CVR no. 80 83 74 10



Annual report

for the period 1 January 2015 - 30 June 2016

Approved at the annual general meeting of shareholders on 16 September 2016

Chairman:

Klaus Andersen



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Deb Swarfega A/S for the financial year 1 January 2015 - 30 June 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of the Company's operations for the financial year 1 January 2015 - 30 June 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Odense, 16 September 2016
Executive Board:

Klaus Andersen

Board of Directors:

Nicholas Noel Hardwick
Matterson
Chairman

Jeffrey Bell

Klaus Andersen



Independent auditors' report

To the shareholders of Deb Swarfega A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Deb Swarfega A/S for the financial year 1 January 2015 - 30 June 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of its operations for the financial year 1 January 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Kolding, 16 September 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Michael Vakker Maass
State Authorised Public Accountant



Management's review

Company details

Name	Deb Swarfega A/S
Address, Postal code, City	Agerhatten 27B, 5220 Odense SØ
CVR No.	80 83 74 10
Established	1 April 1977
Registered office	Odense kommune
Financial year	1 January 2015 - 30 June 2016
Website	www.deb.dk
Telephone	+45 64 72 24 00
Telefax	+45 64 72 33 00
Board of Directors	Nicholas Noel Hardwick Matterson, Chairman Jeffrey Bell Klaus Andersen
Executive Board	Klaus Andersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark



Management's review

Operating review

The Company's business review

As in previous years, the Company's main activity has involved the sale of skin hygiene and cleaning products.

Financial review

The income statement for 2015/16 shows a profit of DKK 1,193,753 against a profit of DKK 756,485 last year, and the balance sheet at 30 June 2016 shows equity of DKK 3,156,496.

Due to changes in ultimate ownership the Company's financial year has changed. The income statement thus represents 18 months activity for 2015/16.

The industrial market, with closures and relocation of jobs, presents new challenges, as this is our most important segment. We have put a lot of energy into modernising our product range by launching new products, which should provide a good basis for further positive development.

The Company's employees

The Company had 17 employees employed on average during the year.

Research and development activities

The Company conducts ongoing product development in cooperation with the Group's other companies.

Post balance sheet events

No events have occurred after the end of the financial year that could significantly impact the Company's financial standing.

Outlook

We have implemented offensive plans for further growth. Our sales organisation is undergoing additional training and we have high expectations.

The innovation of our product range will continue in 2016 with more effective and modern products. An important part of this is that many of the products will carry the European Ecolabel, also known as the "Flower".

As a result of the above, we expect a satisfactory result for the year 2016/17. Going forward, we will develop concepts targeting the market segments that show the greatest growth potential.



Financial statements for the period 1 January 2015 - 30 June 2016

Income statement

Note	DKK	2015/16 18 months	2014 12 months
	Gross profit	14,478,998	9,611,705
2	Staff costs	-12,738,346	-8,392,756
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-168,944	-177,552
	Operating profit	1,571,708	1,041,397
	Financial income	0	1,769
	Financial expenses	-4,752	-28,140
	Profit before tax	1,566,956	1,015,026
3	Tax for the year	-373,203	-258,541
	Profit for the year	1,193,753	756,485
	Proposed profit appropriation		
	Proposed dividend recognised under equity	1,100,000	800,000
	Retained earnings/accumulated loss	93,753	-43,515
		1,193,753	756,485



Financial statements for the period 1 January 2015 - 30 June 2016

Balance sheet

Note	DKK	2015/16	2014
	ASSETS		
	Non-current assets		
	Intangible assets		
	Acquired intangible assets	21,370	0
		<u>21,370</u>	<u>0</u>
	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	228,708	188,265
	Leasehold improvements	10,218	21,035
		<u>238,926</u>	<u>209,300</u>
	Total non-current assets	<u>260,296</u>	<u>209,300</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	360,331	77,650
		<u>360,331</u>	<u>77,650</u>
	Receivables		
	Trade receivables	3,935,646	2,745,540
	Receivables from group enterprises	991,495	992,233
	Deferred tax assets	704	5,377
	Other receivables	197,455	158,175
	Prepayments	123,504	144,846
		<u>5,248,804</u>	<u>4,046,171</u>
	Cash	<u>3,213,107</u>	<u>5,354,999</u>
	Total current assets	<u>8,822,242</u>	<u>9,478,820</u>
	TOTAL ASSETS	<u>9,082,538</u>	<u>9,688,120</u>



Financial statements for the period 1 January 2015 - 30 June 2016

Balance sheet

Note	DKK	2015/16	2014
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	500,000	500,000
	Retained earnings	1,556,496	1,462,743
	Dividend proposed	1,100,000	800,000
	Total equity	3,156,496	2,762,743
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	303,999	527,092
	Payables to group enterprises	1,830,174	2,499,726
	Corporation tax payable	120,551	70,473
	Other payables	3,671,318	3,828,086
		5,926,042	6,925,377
	Total liabilities other than provisions	5,926,042	6,925,377
	TOTAL EQUITY AND LIABILITIES	9,082,538	9,688,120

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties



Financial statements for the period 1 January 2015 - 30 June 2016

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2014	500,000	1,506,258	3,500,000	5,506,258
Profit/loss for the year	0	-43,515	800,000	756,485
Dividend distributed	0	0	-3,500,000	-3,500,000
Equity at 1 January 2015	500,000	1,462,743	800,000	2,762,743
Profit/loss for the year	0	93,753	1,100,000	1,193,753
Dividend distributed	0	0	-800,000	-800,000
Equity at 30 June 2016	500,000	1,556,496	1,100,000	3,156,496

Financial statements for the period 1 January 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies

The annual report of Deb Swarfega A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Income statement

Revenue

Revenue is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place and that the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements for the period 1 January 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Acquired IP rights	9-10 years
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The amortisation period for acquired IP rights exceeds 5 years, as the rights are expected to be used in the entity for a 10-year period and since the economic benefits deriving from the rights are expected to accrue to the entity during that period.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	4 years
Other fixtures and fittings, tools and equipment	3-5 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.



Financial statements for the period 1 January 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

Impairment of non-current assets

Intangible assets, property and plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which correspond to the nominal value. The value is reduced by write-down for bad debts, where there is an objective indication that a receivable has been impaired.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Financial statements for the period 1 January 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January 2015 - 30 June 2016

Notes to the financial statements

DKK	2015/16 18 months	2014 12 months
2 Staff costs		
Wages/salaries	11,866,015	7,865,721
Pensions	705,564	417,066
Other social security costs	166,767	109,969
	<u>12,738,346</u>	<u>8,392,756</u>
3 Tax for the year		
Estimated tax charge for the year	378,173	280,473
Deferred tax adjustments in the year	-4,970	-21,932
	<u>373,203</u>	<u>258,541</u>
4 Share capital		
The share capital consists of the following:		
500 shares of DKK 1,000.00 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

All shares rank equally.

The Company's share capital has remained DKK 500,000 over the past 5 years.

5 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2015/16	2014
Rent and lease liabilities	<u>1,781,163</u>	<u>1,848,637</u>



Financial statements for the period 1 January 2015 - 30 June 2016

Notes to the financial statements

6 Related parties

Deb Swarfega A/S' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
SCJ UK Finco Ltd	Frimley Green, Camberley, Surrey GU16 7AJ, UK	Frimley Green, Camberley, Surrey GU16 7AJ, UK

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Deb Holding Ltd.	Denby Hall Way, Denby, Derbyshire DE5 8JZ, UK