Registered number: 215496

HENKEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

HENKEL LIMITED

COMPANY INFORMATION

DIRECTORS	P Budden S Bhandal J Crane G Deussen (appointed 23 March 2020) E Gallagher M Tyers
COMPANY SECRETARY	S Bhandal
REGISTERED NUMBER	215496
REGISTERED OFFICE	Wood Lane End Hemel Hempstead Hertfordshire HP2 4RQ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Statutory Auditor & Chartered Accountants 40 Clarendon Road Watford Hertfordshire WD17 1JJ
SOLICITORS	Shoosmiths LLC Apex Plaza Forbury Road Reading Berkshire RG1 1SH

HENKEL LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

INTRODUCTION

The principal activity of the company during the year was the sales and marketing of adhesive technologies, beauty care and laundry and home care products.

The company is organised into three operational business units - Adhesive Technologies, Beauty Care and Laundry and Home Care. The Adhesive Technologies business unit is a leading solution provider for adhesives, sealants and functional coatings, and is active in industrial, consumer and professional markets. The Beauty Care business unit is active in the branded consumer goods business area with hair care, body care, skin care and oral care, as well as in the professional hair salon market. The Laundry and Home Care business unit manages a portfolio of brands that ranges from laundry additives and WC cleaners to products in fabric care, shoe care and household products.

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a global pandemic in recognition of its rapid spread across the globe. Since then there have been fundamental changes to the way we live, work and do business. As a consequence of the pandemic, the global economy encountered a sharp decline in demand and governments around the world were confronted with rising expenditures for emergency programmes. However the impact varied across industries - while some were affected severely, such as the automotive sector, others saw rising demand for products and services, for example in the fields of hygiene or medical suppliers.

According to the ONS, UK gross domestic product (GDP) is estimated to have contracted by 9.8 % over the year 2020 as a whole. This is the largest annual fall in UK GDP on record. Despite hopes for a recovery in the course of 2021, backed by the roll-out of vaccination campaigns, concerted health policies and government financial support, the economy is expected to record a GDP in 2021 still below the pre-crisis level of 2019.

BUSINESS REVIEW

Business performance was substantially impacted by the effects of the COVID-19 pandemic. Against the strong decline in the economy the Company delivered an overall robust performance in 2020 across all business units thanks to its diversified portfolio, successful innovations, financial strength and commitment of employees. Sales of £ 306,741,000 were achieved, which was a decline of -4.4 % or -£ 14,051,000 compared to the prior year, whilst managing a slight increase in operating profit to £ 26,618,000 . The improved profitability was mainly driven by a decrease in the price paid to the Henkel Groups' global supply chain company for goods purchased.

The Adhesive Technologies business experienced a contraction in turnover of -£ 12,336,000 to £ 161,024,000 (*2019 - £ 173,360,000*). Performance varied among the different adhesives business areas. A substantial decline in sales was seen across all of the industrial segments, such as in the Automotive & Metals, Packaging & Consumer Goods and Electronics & Industrials business areas, reflecting the overall decline in industrial markets as a result of the COVID-19 pandemic. Whereas the Consumer & Craftsmen Adhesives business area saw a 2.5% increase in sales following the growth of home improvement and DIY activities during the government imposed lockdowns and guidance to stay at home.

The Beauty Care business also experienced a decrease in turnover of -£ 7,508,000 to £ 97,931,000 (*2019 - £ 105,439,000*). Sales performances were mixed with our Professional Hair Salon business area severely affected by the enforced closure of salons resulting in a contraction in sales of 31.9% compared to the prior year. Nevertheless, our Retail Branded Consumer Goods business recorded sales growth of 2.5% driven by the rising demand for home hair coloration and the successful development of top brands.

The Laundry and Home Care business experienced strong sales growth of £ 6,284,000 to £ 43,850,000 *(2019 - £ 37,566,000*), partially benefiting from the rising demand for household and cleaning products during the pandemic.

As at 31 December 2020, the total assets of the Company were £ 228,786,000 (*2019 - £ 276,256,000*) and net assets were £ 153,220,000 (*2019 - £ 173,757,000*).

PRINCIPAL RISKS AND UNCERTAINTIES

Procurement risk:
The Company acquires all products from Henkel Global Supply Chain B.V., a group company incorporated in the Netherlands.

In our procurement markets the Henkel group is expecting year-on-year price increases for direct materials to be in the low to medium single-digit range in 2021. Due to geopolitical, global economic, and climatic uncertainties, prices are expected to fluctuate in the course of the year. This uncertainty is being exacerbated in particular by the COVID-19 pandemic and the associated impacts on the global economy. This may lead to raw material price trends that are unfavourable for Henkel but cannot always be passed on in full. We therefore see risks arising beyond the forecasted increase in the low to medium single-digit range in relation to important raw materials, packaging materials and purchased goods.

The segments in the industrial goods sector are affected to a greater extent by these price risks inherent in the performance of the global raw materials markets than the individual segments in the consumer goods sector. Additional price and supply risks exist due to possible demand or production related shortages in the procurement markets. Furthermore, the COVID-19 pandemic and persisting risks surrounding the world economy, geopolitics and the climate can be expected to cause considerable volatility and uncertainty, and might result in rising material prices and supply shortages.

The measures taken to manage and combat these risks include active supplier portfolio management through the Henkel groups' globally engaged, cross-divisional sourcing capability, together with strategies aimed at securing both price and volume through contracts and, where appropriate and possible, through financial hedging instruments. Furthermore, we work in interdisciplinary teams on devising alternative formulations and packaging forms to be able to respond flexibly to unforeseen fluctuations in raw material prices. We also avoid becoming dependent on individual suppliers to better secure the constant supply of the goods and services that we require. Finally, close collaboration with our strategic suppliers plays an exceptionally important role in our risk management approach.

Macroeconomic risk:
We remain exposed to macroeconomic risks emanating from the uncertainties of the current geopolitical and economic environment. Extensive risk exists, in particular, due to the COVID-19 pandemic and the associated impacts on the world economy. This could mean risks for our business, especially in connection with any long-term adverse effect on economic development. A slowdown in production of our industrial customers could lead to less demand for our solutions. In our consumer business, lower volumes due to reduced demand could pose risks for our sales, as could changes in purchasing behaviour. The departure of the United Kingdom from the European Union ("Brexit") also poses risks to our business, examples being a potential weakening of the economy, UK REACH registration costs and tariff impacts where rules of product origin cannot be proved. Since the period of the financial statements, some supply issues have been experienced, but these have largely been resolved.

The impacts of the global trade conflicts are also jeopardising the global economic climate. A decline in the macroeconomic environment and a downturn in consumer spending pose risks to our branded consumer goods, professional and industrial business segments. A further key risk is posed by an increasingly competitive environment, which could result in stronger price and promotional pressures in the consumer goods sector. As consolidation in the retail sector continues and private labels occupy a growing share of the market, competition in the consumer goods sector could further intensify. The risk of product substitution inherent in this could, in principle, affect all business units. Technological change associated with digitalisation may involve risks for the success of our products and processes.

To mitigate this risk, the market environment is continuously monitored to enable flexible adjustment of our portfolio and our cost structures to dynamic trends. In addition the focus is on continuously strengthening our brands and consistently developing further innovations. Innovative products and processes are considered to be a significant success factor for the company, enabling us to differentiate ourselves from the competition. Specific marketing and sales initiatives are also pursued, for example advertising and promotional activities. Another central aspect is the advancement of digitalisation, for example through the targeted marketing of our products via a dedicated eCommerce platform for our industrial customers. Our consumer businesses are also striving to strengthen and expand their share of eCommerce and direct-to-consumer business.

Financial risk:
We are exposed to financial risk in the form of credit risk, currency risk, interest rate risk, liquidity risk and risks arising from pension obligations.

The Company is exposed to credit risk, in particular to the risk of default by customers in the course of its operating activities, and the possibility of contractual parties not fulfilling their obligations. With general economic conditions deteriorating as a result of the COVID-19 pandemic, the risk of defaults - particularly with regard to trade accounts receivable - is increasing. Our credit risk management system, operating on the basis of a globally applied Credit Policy, ensures that credit risks are constantly monitored and bad debts minimised. This includes minimising losses on receivables through the application of fixed credit limits, use of customer-specific creditworthiness analyses, risk classifications, and continuous monitoring of risks associated with the receivables concerned.

Currency risks are proactively managed by the Corporate Treasury department of the Henkel group. This includes the ongoing assessment of the specific currency risk and the development of appropriate hedging strategies. Interest rate risk is also managed centrally within the Henkel group, with a strategy aligned to optimise the net interest result for the group.

In order to ensure the financial flexibility of Henkel at any time, the liquidity within the group is largely centralised and managed through the use of cash pools, and the Company participates in Henkel's cross border cash concentration agreement (cash pooling system). Additionally the Company has at its disposal committed bilateral loans within the Henkel group of €100 million with a revolving term of up to one year.

Risks arising from pension obligations relate to changes in interest rates, inflation rates, trends in wages and salaries, and changes in the statistical life expectancy of pension beneficiaries. To minimise exposure and improve risk management, the pension obligations are fully funded and managed based on a two-track portfolio approach: the main portion of the portfolio is invested in interest-bearing plan assets (liability-driven investments), reducing the interest rate and inflation risk. In order to cover the risks arising from trends in wages, salaries and life expectancies, and to close the potential deficit between fund assets and pension obligations over the long term, additional investments are made in a return-enhancing portfolio as an add-on instrument that contains assets such as equities, private equity investments, hedge funds, real estate and commodity investments.

FINANCIAL KEY PERFORMANCE INDICATORS

The company uses key performance indicators to assess performance including turnover and operating profit.

In the year under review, turnover decreased by -£ 14,051,000 to £ 306,741,000 , and operating result on continuing activities increased by £ 3,468,000 to a profit of £ 26,618,000 .

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172 of the Companies Act 2006 requires directors to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard to the interests of stakeholders.

As a Board, we strive to take decisions for the long term, with the aim of understanding and respecting the views and needs of our stakeholders and our shareholder to whom we are accountable.

Understanding the social demands that stakeholders of all kinds place on the Company is a key component of sustainability management. The Henkel Group promotes dialogue with all stakeholders, including customers, suppliers, employees, shareholders, local communities, government agencies, associations, and non-governmental organisations, as well as politicians and academia. Stakeholder engagement is key to innovation and risk management, and helps the Henkel Group as a whole to continuously develop our sustainability strategy and reporting.

The Company operates within the global Henkel Group framework and the application of section 172 considerations is evidenced through a number of activities, both at Group and Company level, including but not limited to the following:

- From our purpose, vision, mission and values, we have formulated globally binding behavioural rules which are specified in a series of codes and corporate standards. These apply to all employees worldwide. Our key policy documents include our Code of Conduct, Code of Corporate Sustainability, Social Standards, Safety, Health & Environmental Standards and Sustainability Sourcing Policy.

- The Henkel Group is committed to leadership in sustainability. The core tenets of our sustainability strategy are creating more value for customers and consumers, for the communities in which we operate and for the company, while reducing our environmental footprint at the same time. We want to improve our products and solutions through innovations and smart thinking in order to create more value at a reduced ecological footprint. We concentrate our activities along the value chain on six focal areas that reflect the challenges of sustainable development as they relate to our operations. These focal areas are divided into two dimensions: “more value” and “reduced footprint”. We aim to increase the value we create in the areas of social progress, safety & health, and performance. And in the areas of energy & climate, materials & waste, and water & waste water we aim to further reduce the resources we use. More information can be found in our Sustainability Report 2019 that is available online at www.henkel.com/sustainability/sustainability-report.

- Pursuant to section 54(1) of the Modern Slavery Act 2015 (the “MSA Act”), the Henkel Group annually attests to the MSA Act by publishing a statement outlining how Henkel mitigates the risk of slavery and human trafficking within all parts of its global operations. The Henkel Group has a comprehensive set of codes, standards and processes which provide employees, customers, investors and the communities in which the Henkel Group operates with a clear definition of the ethical and social values that the Group upholds and underscores the Group’s commitment to respecting human rights along the entire value chain.

- The Company reviews and reports on its invoice payment practices to ensure suppliers are treated fairly by abiding by agreed payment terms.

- There is an established policy of communicating with all employees regularly through town hall meetings, CEO communications, senior leadership business briefings and the Group intranet. We regularly solicit feedback from employees in our ongoing effort to understand the employee experience and better ensure we are cultivating the work environment that we want.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

- The diversity of our employees with their individual differences and perspectives is essential to our strength and innovative capabilities. We want to create an inclusive working environment where everyone is valued and individual performance is recognised.

- Social engagement – or corporate citizenship – has always been an integral part of our sense of responsibility as a company and is embedded in our corporate values. In the UK, the Henkel Hemel Hempstead office supports the local charity, DENS, which houses, supports and empowers vulnerable single homeless people, and others in crisis, to transform their lives. Colleagues volunteer, raise money and take part in events for this charity. At our Winsford and St Neots sites, other local charities are supported.

When making principal decisions, the directors have regard to the interests of relevant stakeholders. An example of this during the current financial year is in connection with the recommendation of the payment of a dividend. Throughout the year the Board assessed the strength of the Company's balance sheet and future prospects relative to uncertainties in the external environment. In making the decision the Board considered a range of factors. These included the long-term viability of the Company, its expected cash flow and future financing requirements.

This report was approved by the board on 21 July 2021 and signed on its behalf.

P Budden
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £ 19,400,000 *(2019 - £ 19,303,000)*.

Dividends paid during the year amounted to £ 57,023,000 *(2019 - £ 8,000,000)*. The Directors do not propose any dividends at the date of signing of the annual report and financial statements.

DIRECTORS

The directors who served during the year and to the date of approval of these financial statements were:

C Knobel (resigned 23 March 2020)
P Budden
S Bhandal
J Crane
G Deussen (appointed 23 March 2020)
E Gallagher
M Tyers

FUTURE DEVELOPMENTS

As we move through 2021, we still face a high level of uncertainty on how the pandemic will continue to evolve. The vaccination efforts seem to be progressing well and the widespread restrictions in the country have gradually lifted. Industrial demand, as well as consumer segments which are relevant for our company, in particular the Hair Salon business, are expected to recover. At the same time, consumer demand is expected to return to normal levels in those categories which saw higher demand due to the pandemic. In addition, it is assumed that there will be no wide-spread shutdowns of retail and industrial business in the remainder of the year.

In the longterm, the director's plan to invest towards successful growth of all business units, either through acquisition or organic growth.

RESEARCH AND DEVELOPMENT ACTIVITIES

Henkel maintains regional research and development sites around the world. The site in Hemel Hempstead is one of Henkel's Technology centres of excellence, developing hot melt adhesives for food packaging and curing hot melt adhesives for General Industry, with industrial applications in all global regions. The Electronic Adhesives business also have both product development and applications laboratories in the Hemel Hempstead facility for the global product development and European technical customer support for solder materials.

ENGAGEMENT WITH EMPLOYEES

The commitment, skills and experience of all of our employees are the foundations on which we plan to build our future success. The success of our teams derives from their diversity, with employees working together with different competencies and skills, educational backgrounds, and experience gained in different situations and countries.

The Company utilises a number of Henkel Group initiatives to engage with employees and more information can be found in the Henkel Internet pages on Corporate culture, mission and vision statements.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The Directors are required to promote the success of the Company as a whole and, in doing so, have regard to a range of stakeholders. On pages 5 - 6 we have set out how we have engaged with our key stakeholders, including customers, suppliers and others in a business relationship with the Company, and how the Board has considered their interests during the year.

EMPLOYEE EQUALITY

Henkel is an equal opportunity employer. We evaluate qualified applicants based on skill and experience regardless of gender, origin, culture, mindset, generation, disability, religion and sexual orientation.

Corporate policy on “Global Diversity & Inclusion” defines Henkel’s commitment to a diverse and inclusive working environment and to create an equitable, healthy and high-performing organization in which all individuals feel valued and their contributions are appreciated.

It is company policy not to discriminate unlawfully against individuals (including but not limited to prospective, current and former employees, customers and suppliers) in connection with the protected characteristics of: sex, marriage / civil partnership, pregnancy / maternity, gender reassignment, disability, sexual orientation, religion / belief, race (including colour, nationality, ethnic or national origins).

Individuals who have these characteristics (as well as those who are perceived to or associated with individuals who have these characteristics) are protected by equality legislation, which is designed to promote equality and dignity at work.

This equality policy applies to all aspects of the Company’s working practices, including: day to day conduct at work; recruitment / selection; development / training / promotion; pay / benefits / other terms of employment; discipline / grievances; transfer / dismissal (including redundancy selection).

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Company's greenhouse gas emissions and energy consumption are as follows:

	2020	*2019*
Emissions resulting from activities for which the Company is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	**547**	*855*
Emissions resulting from the purchase of the electricity by the Company for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	**383**	*451*
Energy consumed from activities for which the Company is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport, in kWh	**3,983,810**	*5,318,443*

The methodology used to calculate total energy consumption and carbon emissions has been invoice data for the financial years stated. Where data was not available, estimates have been calculated using historical profiles. The period being disclosed is the same as the period of the Directors' report.

Energy and fuel consumption has been converted to carbon (KGCO2e) using 2019 DEFRA published conversion factors. Fuel for Transportation has been converted using statistical data sets published by Department of Transport .

The approach to reporting is based on the GHG Protocol Corporate Accounting and Reporting Standard. In line with the guidance on SECR the energy and emissions for the buildings owned and operated (ie. those within the financial control boundary) have been included.

The Hemel Hempstead site had planned to install solar panels on the roof of one of its buildings in 2020 but this was postponed due to the pandemic and is now due to be implemented in 2021, pending Landlord approval.

The most appropriate intensity metric in line with the primary drivers of energy consumption is Gross Internal Area in Square Metres (SQM). The Intensity ratio for the year was 0.095 TCO2e/SQM *(2019 - 0.133 TCO2e/SQM).*

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position, including COVID-19, are set out in the Strategic Report and the Directors' Report.

The Directors have prepared forecasts for the period to 31 December 2022 taking account of severe but plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources. These indicate that the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

POST BALANCE SHEET EVENTS

On 1 June 2021 the Company sold one of its trademarks, Rightguard, for a consideration of USD 49,232,529. On 2 June 2021 the Company sold one of its trademarks, Nitromors, for a consideration of EUR 622,615. On 30 June 2021 one of the defined benefit pension plans that the Company participates in was closed to future accrual. These are all considered as non-adjusting events for the Company's financial statements at 31 December 2020.

There have been no other significant events affecting the Company since the year end.

INDEPENDENT AUDITORS

The Company is a subsidiary of the Henkel group, whose ultimate parent, Henkel AG & Co. KGaA, had a mandatory requirement to rotate the auditor of its group accounts. PricewaterhouseCoopers LLP, Chartered Accountants, have been appointed by Henkel AG & Co. KGaA to conduct the audit of the group accounts from 2020 onwards, and PricewaterhouseCoopers LLP have been appointed as the auditor of the Company for the financial years commencing after 1 January 2020.

This report was approved by the board on 21 July 2021 and signed on its behalf.

P Budden
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Henkel Limited

Report on the audit of the financial statements

Opinion

In our opinion, Henkel Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2020; income statement, statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors’ 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 auditors’ 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to General Data Protection Regulation (GDPR), Employment Law and Tax Law, and Financial Reporting (including related Companies Legislation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to increase revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with Management and Directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by Management in their significant accounting estimates, in particular in relation to rebates and pensions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or journals posted by unexpected users;
- Reviewing minutes of meetings with those charged with governance;
- Reviewing financial statement disclosures made by management in their significant accounting estimates, in particular in relation to rebates and pensions;
- As required by ISA 240, incorporating an element of unpredictability into our audit testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Amy York (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
26 July 2021

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Turnover		**306,741**	*320,792*
Cost of sales		**(190,205)**	*(209,734)*
GROSS PROFIT		**116,536**	*111,058*
Distribution costs		**(46,832)**	*(42,507)*
Administrative expenses		**(44,408)**	*(48,907)*
Other operating income	6	**1,794**	*3,991*
Other operating charges	7	**(472)**	*(485)*
OPERATING PROFIT	8	**26,618**	*23,150*
Income from other fixed asset investments	12	**-**	*35,631*
Other interest receivable and similar income	13	**552**	*434*
Amounts written off investments	20	**(1,345)**	*(34,378)*
Interest payable and similar expenses	14	**(51)**	*(272)*
Other finance income	15	**338**	*555*
PROFIT BEFORE TAX		**26,112**	*25,120*
Tax on profit	16	**(6,712)**	*(5,817)*
PROFIT FOR THE FINANCIAL YEAR		**19,400**	*19,303*

The notes on pages 19 to 49 form part of these financial statements.

All operations are continuing.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019* *£000*
Profit for the financial year		**19,400**	*19,303*
OTHER COMPREHENSIVE INCOME/(EXPENSES)			
Actuarial gain/(loss) on defined benefit schemes		**21,599**	*(4,716)*
Movement on deferred tax relating to pension gains/(losses)		**(4,104)**	*802*
(Loss)/Gain from cash-flow hedging		**(409)**	*462*
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**17,086**	*(3,452)*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**36,486**	*15,851*

The notes on pages 19 to 49 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
FIXED ASSETS					
Intangible assets	18		**66,748**		*78,187*
Tangible assets	19		**4,855**		*5,471*
Investments	20		**21,068**		*22,413*
Pension asset	29		**39,514**		*17,818*
			132,185		*123,889*
CURRENT ASSETS					
Debtors: amounts falling due within one year	21	**95,077**		*151,938*	
Cash at bank and in hand	22	**4,249**		*2,991*	
		99,326		*154,929*	
Creditors: amounts falling due within one year	23	**(68,350)**		*(100,005)*	
NET CURRENT ASSETS			**30,976**		*54,924*
TOTAL ASSETS LESS CURRENT LIABILITIES			**163,161**		*178,813*
PROVISIONS FOR LIABILITIES					
Deferred tax liability	25	**(6,990)**		*(1,799)*	
Other provisions	26	**(226)**		*(695)*	
			(7,216)		*(2,494)*
Pension liability	29		**(2,725)**		*(2,562)*
NET ASSETS			**153,220**		*173,757*
CAPITAL AND RESERVES					
Called up share capital	27		**100,000**		*100,000*
Revaluation reserve	28		**-**		*2,862*
Other reserves	28		**(278)**		*131*
Profit and loss account	28		**53,498**		*70,764*
TOTAL EQUITY			**153,220**		*173,757*

The financial statements and their notes on pages 15 to 49 were approved and authorised for issue by the board and were signed on its behalf on 21 July 2021.

P Budden
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Revaluation reserve	Cash-flow and net investment hedging reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	**100,000**	**2,862**	**(331)**	**63,375**	**165,906**
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	19,303	19,303
Actuarial losses on pension scheme	-	-	-	(3,914)	(3,914)
Profit on cash-flow hedging	-	-	462	-	462
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	-	-	462	(3,914)	(3,452)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	462	15,389	15,851
Dividends: Equity capital	-	-	-	(8,000)	(8,000)
At 1 January 2020	**100,000**	**2,862**	**131**	**70,764**	**173,757**
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	-	19,400	19,400
Actuarial gains on pension scheme	-	-	-	17,495	17,495
Loss on cash-flow hedging	-	-	(409)	-	(409)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	(409)	17,495	17,086
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(409)	36,895	36,486
Dividends: Equity capital	-	-	-	(57,023)	(57,023)
Transfer to/from profit and loss account	-	(2,862)	-	2,862	-
AT 31 DECEMBER 2020	**100,000**	**-**	**(278)**	**53,498**	**153,220**

The notes on pages 19 to 49 form part of these financial statements.

1. GENERAL INFORMATION

Henkel Limited is a private company limited by shares, incorporated in England and Wales of the United Kingdom. The registered office and principal place of business of the company is Wood Lane End, Hemel Hempstead, Hertfordshire, HP2 4RQ.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The accounting policies have been applied consistently over the years, other than where new policies have been adopted.

The presentation currency of these financial statements is sterling (£). All amounts in the financial statements have been rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3), and to disclose any changes in accounting estimates (see note 4).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Henkel AG & Co. KGaA as at 31 December 2020 and these financial statements may be obtained from the Company Secretary, Henkel Limited, Wood Lane End, Hemel Hempstead, Hertfordshire, HP2 4RQ or online at www.henkel.com.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position, including COVID-19, are set out in the Strategic Report and the Directors' Report.

The Directors have prepared forecasts for the period to 31 December 2022 taking account of severe but plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources. These indicate that the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Rebates are primarily provided as volume incentives and are triggered when relevant customers meet certain sales volume target criteria. Rebates are normally off-invoice discounts that are settled retroactively. Best estimates of customers' annual sales are multiplied by appropriate rates for each customer to derive the rebate accrual value, taking into consideration contractual arrangements and obligations for promotions and listing fees.

The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	3	years
Goodwill	-	10	years
Trademarks	-	10	years
Other intangible fixed assets	-	10	years

Goodwill has no residual value.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.7 RESEARCH AND DEVELOPMENT

The company provides research and development activities under a service contract with Henkel AG & Co. KGaA and the company does not own any of the resulting intangible assets. As the company will not take ownership of any intangible assets, all costs are expensed through the income statement as they are incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2.5% to 5% per annum
Plant and machinery	- 10% to 20% per annum
Fixtures and fittings	- 10% to 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 IMPAIRMENT OF FIXED ASSETS AND GOODWILL

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.12 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 FINANCIAL INSTRUMENTS

The Company has chosen to adopt the recognition and measurement provisions of IFRS 9 *Financial Instruments* (as adopted in the EU) and IAS 39 (as amended following the publication of IFRS 9), the disclosure requirements of sections 11 and 12 and the presentation requirements of paragraphs 11.38A and 12.25B of FRS 102 in respect of financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

2. ACCOUNTING POLICIES (CONTINUED)

2.14 FINANCIAL INSTRUMENTS (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.15 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. ACCOUNTING POLICIES (CONTINUED)

2.18 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates three defined benefit plans for certain employees of the Company, and also participates within another shared defined benefit plan for certain employees of both the Company and Henkel UK Operations Limited, its subsidiary company incorporated in the United Kingdom.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset and/or liability recognised in the Statement of financial position in respect of the defined benefit plans is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled. There is no netting of the asset or liability for each of the four defined benefit plans.

The Company has determined that a proportional approach should be applied to determine the allocation of the shared defined benefit pension plan between the Company and Henkel UK Operations Limited, which would be updated as and when revised census data was available following each triennial funding valuation. Each entity recognises the apportioned assets, liabilities and costs of this net defined benefit plan in its own financial statements.

The defined benefit obligations are calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The costs of the defined benefit plans, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

2. ACCOUNTING POLICIES (CONTINUED)

2.18 PENSIONS (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.19 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.20 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.21 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.22 HEDGE ACCOUNTING

The company has entered into fixed rate foreign exchange forward contracts to manage its exposure to foreign exchange cash flow risk on its purchases of finished goods. These derivatives are measured at fair value at each reporting date. To the extent that the hedges are effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash-flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgments and accounting policies are in the opinion of management the most critical for the purpose of presenting these financial statements, requiring estimates and assumptions:

- The valuation of tangible and intangible fixed assets including estimates of useful life, depreciation and amortisation policy, and identification of any impairment
- The valuation of investments including the judgment and estimate of any possible impairment of the investments
- The accruing of customer rebates within revenue
- The actuarial assumptions for the accounting and disclosure of the defined benefit pension plan

4. CHANGE IN ACCOUNTING ESTIMATE

One of the most material actuarial assumptions for the accounting of the defined benefit pension plans is the mortality assumption. Following discussions of the Company with its actuary and its auditors, the Company has concluded that the mortality assumption was too prudent and should be updated to reflect the best estimate assumption from the Pension Trustee's 2016 analysis into mortality.

The impact of removing the prudence from the mortality assumption has caused the year end pension liabilities to decrease by £26,429,000.

5. TURNOVER

An analysis of turnover by class of business is as follows:

	2020 £000	2019 £000
Sale of goods	**295,072**	*308,194*
Rendering of services	**11,669**	*12,598*
	306,741	*320,792*

An analysis of turnover by business unit is as follows:

	2020 £000	2019 £000
Industrial Adhesives	**98,417**	*112,256*
Consumer Adhesives	**62,607**	*61,104*
Beauty Care	**97,931**	*105,439*
Laundry & Home Care	**43,850**	*37,566*
Corporate	**3,936**	*4,427*
	306,741	*320,792*

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	**290,770**	*301,528*
Rest of Europe	**14,300**	*17,468*
Rest of the world	**1,671**	*1,796*
	306,741	*320,792*

6. OTHER OPERATING INCOME

	2020 £000	2019 £000
Other operating income	11	1,959
Net income from sub-lease of property	66	128
Royalty receivable	1,717	1,903
Profit on disposal of tangible assets	-	1
	1,794	3,991

7. OTHER OPERATING CHARGES

	2020 £000	2019 £000
Restructuring costs	377	327
Adjustment to R&D expenditure tax credit	48	-
Loss on disposal of tangible assets	2	-
Impairment of tangible assets	45	-
Divestment/Acquisition costs	-	111
Other operating charges	-	47
	472	485

8. OPERATING PROFIT

The operating profit is stated after charging:

	2020 £000	2019 £000
Other operating lease rentals	2,009	2,316
Depreciation of tangible assets	1,279	1,285
Amortisation of intangible assets, including Goodwill	11,450	11,459

9. AUDITORS' REMUNERATION

	2020 £000	2019 £000
Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	81	128

10. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	21,551	20,524
Social security costs	2,795	2,769
Cost of defined benefit scheme	2,315	1,496
Cost of defined contribution scheme	2,089	2,046
	28,750	26,835

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Administration	53	47
Research and development	10	12
Supply Chain / Customer Services	60	55
Sales and marketing	265	274
	388	388

11. DIRECTORS' REMUNERATION

	2020 £000	*2019 £000*
Directors' emoluments	**1,150**	*945*
Company contributions to defined contribution pension schemes	**61**	*48*
	1,211	*993*

During the year retirement benefits were accruing to 5 directors *(2019 - 4)* in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to NIL directors (*2019 - 1*) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £374,000 *(2019 - £211,000)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,000 *(2019 - £14,000)*.

Note for non-disclosure of other Directors

Two of the Directors who served during the year are remunerated by other Henkel Group companies and have determined that their qualifying services to the Company do not occupy a significant amount of their time. There is therefore no recharge to the Company for their services for the periods ended 31 December 2020 and 31 December 2019.

12. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2020 £000	*2019 £000*
Dividends received from investments	**-**	*35,631*
	-	*35,631*

13. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £000	*2019 £000*
Interest receivable from group companies	**384**	*434*
Net foreign exchange gains on financial items	**165**	*-*
Other interest receivable	**3**	*-*
	552	*434*

14. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £000	*2019 £000*
Net foreign exchange losses on financial items	-	*127*
Interest payable to group companies	2	*141*
Other interest payable	49	*4*
	51	*272*

15. OTHER FINANCE INCOME

	2020 £000	*2019 £000*
Net interest on net defined benefit asset	338	*555*
	338	*555*

16. TAX ON PROFIT

	2020 £000	2019 £000
CORPORATION TAX		
Current tax on profits for the year	**5,842**	*4,401*
Adjustments in respect of previous periods	**(180)**	*(589)*
	5,662	*3,812*
FOREIGN TAX		
Foreign tax on income for the year	**93**	*245*
Adjustments in respect of prior periods	**(84)**	*(71)*
	9	*174*
TOTAL CURRENT TAX	**5,671**	*3,986*
DEFERRED TAX		
Origination and reversal of timing differences	**1,198**	*2,036*
Changes to tax rate	**(168)**	*(286)*
Adjustments in respect of previous periods	**11**	*81*
TOTAL DEFERRED TAX	**1,041**	*1,831*
TAX ON PROFIT	**6,712**	*5,817*

16. TAX ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than *(2019 - higher than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £000	2019 £000
Profit before tax	**26,112**	*25,120*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2019 - 19.0%)	**4,961**	*4,773*
EFFECTS OF:		
Non-tax deductible amortisation and impairment of goodwill and trademarks	**1,815**	*1,815*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**52**	*87*
Adjustments to tax charge in respect of prior periods	**(264)**	*(660)*
Reduction in tax rate on deferred tax balances	**-**	*(286)*
Deferred tax adjustment due to change in tax rate	**(168)**	*-*
Non-tax deductible impairment of investment	**256**	*6,532*
Foreign tax suffered	**93**	*245*
Dividends from UK companies	**-**	*(6,770)*
Double taxation relief	**(93)**	*-*
Deferred tax adjustment in respect of prior year	**11**	*81*
Transfer pricing adjustments	**49**	*-*
TOTAL TAX CHARGE FOR THE YEAR	**6,712**	*5,817*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the Company's deferred tax asset as at 31 December 2019 was calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the Company's future current tax charge accordingly and increased the deferred tax asset as at 31 December 2019 by £168,000.

17. DIVIDENDS

	2020 £000	*2019* *£000*
Dividends paid to Henkel Nederland B.V.	**57,023**	*8,000*
	57,023	*8,000*

18. INTANGIBLE ASSETS

	Software £000	Product Registration Costs £000	Trademarks £000	Goodwill £000	Total £000
COST					
At 1 January 2020	**4,696**	**147**	**13,301**	**283,391**	**301,535**
Additions	**11**	**-**	**-**	**-**	**11**
Disposals	**(222)**	**(2)**	**-**	**-**	**(224)**
At 31 December 2020	**4,485**	**145**	**13,301**	**283,391**	**301,322**
ACCUMULATED AMORTISATION					
At 1 January 2020	**4,493**	**82**	**5,919**	**212,854**	**223,348**
Charge for the year on owned assets	**48**	**20**	**1,121**	**10,261**	**11,450**
On disposals	**(222)**	**(2)**	**-**	**-**	**(224)**
At 31 December 2020	**4,319**	**100**	**7,040**	**223,115**	**234,574**
NET BOOK VALUE					
At 31 December 2020	**166**	**45**	**6,261**	**60,276**	**66,748**
At 31 December 2019	*203*	*65*	*7,382*	*70,537*	*78,187*

Intangible assets are amortised to administration expenses in the Income statement over their useful economic life.

19. TANGIBLE ASSETS

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Assets in course of construction £000	Total £000
COST OR VALUATION					
At 1 January 2020	**4,907**	**2,276**	**8,260**	**152**	**15,595**
Additions	**140**	**23**	**518**	**46**	**727**
Disposals	**(195)**	**(396)**	**(360)**	**(17)**	**(968)**
Transfers between classes	**-**	**15**	**137**	**(152)**	**-**
At 31 December 2020	**4,852**	**1,918**	**8,555**	**29**	**15,354**
ACCUMULATED DEPRECIATION					
At 1 January 2020	**2,186**	**1,961**	**5,977**	**-**	**10,124**
Charge for the year on owned assets	**225**	**80**	**974**	**-**	**1,279**
Disposals	**(195)**	**(396)**	**(358)**	**-**	**(949)**
Impairment charge	**-**	**-**	**45**	**-**	**45**
At 31 December 2020	**2,216**	**1,645**	**6,638**	**-**	**10,499**
NET BOOK VALUE					
At 31 December 2020	**2,636**	**273**	**1,917**	**29**	**4,855**
At 31 December 2019	*2,721*	*315*	*2,283*	*152*	*5,471*

20. INVESTMENTS

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 January 2020	**197,301**
At 31 December 2020	**197,301**
IMPAIRMENT	
At 1 January 2020	**174,888**
Charge for the period	**1,345**
At 31 December 2020	**176,233**
NET BOOK VALUE	
At 31 December 2020	**21,068**
At 31 December 2019	*22,413*

The carrying value of the investments in Darex UK Limited and Spotless Punch (UK) Limited were written down by £1,345,000 to the net assets of the companies.

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Henkel UK Operations Limited	Production services	Ordinary	100%
Spotless Punch (UK) Limited	Dormant company	Ordinary	100%
Jeyes Group Limited	Dormant company	Ordinary	100%
Darex UK Limited	Dormant company	Ordinary	100%

The registered office for all subsidiary undertakings was Wood Lane End, Hemel Hempstead, Hertfordshire, United Kingdom, HP2 4RQ. All subsidiary undertakings are incorporated in England and Wales of the United Kingdom.

20. INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Henkel UK Operations Limited	**18,943**	**1,371**
Spotless Punch (UK) Limited	**-**	**(1)**
Jeyes Group Limited	**(4)**	**(70)**
Darex UK Limited	**3,242**	**38**

21. DEBTORS: Amounts falling due within one year

	2020 £000	*2019 £000*
Trade debtors	**62,342**	*65,342*
Amounts owed by group companies - trade	**2,505**	*1,952*
Amounts owed by group companies - financials and loans	**102**	*51,644*
Amounts owed by group companies - cash pool	**23,946**	*23,896*
Other debtors	**1,646**	*1,896*
Tax recoverable	**1,013**	*3,513*
Deferred tax asset	**3,291**	*3,245*
Prepayments and accrued income	**232**	*450*
	95,077	*151,938*

Amounts owed by group undertakings - trade are unsecured, interest free and due for repayment within 1 year. Amounts owed by group undertakings - financials and loans are unsecured, at various interest rates and due for repayment within 1 year. Amounts owed by group undertakings - cash pool are unsecured, at variable interest, have no fixed date of repayment and are repayable on demand.

22. CASH AT BANK AND IN HAND

	2020 £000	2019 £000
Cash at bank and in hand	**4,249**	*2,991*
	4,249	*2,991*

23. CREDITORS: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	**6,385**	*5,558*
Amounts owed to group companies - trade	**16,949**	*19,883*
Amounts owed to group companies - financial and loans	**-**	*34,958*
Corporation tax	**776**	*-*
Other taxation and social security	**10,275**	*5,044*
Other creditors	**5,627**	*3,690*
Accruals and deferred income	**28,338**	*30,872*
	68,350	*100,005*

Amounts owed to group undertakings - trade are unsecured, interest free, and due for payment within 30 days. Amounts due to group undertakings - financials and loans are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

	2020 £000	2019 £000
OTHER TAXATION AND SOCIAL SECURITY		
PAYE/NI control	**1,225**	*1,436*
VAT control	**9,050**	*3,608*
	10,275	*5,044*

24. FINANCIAL INSTRUMENTS

	2020 **£000**	*2019* *£000*
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	**94,675**	*147,721*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(28,961)**	*(64,089)*

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors (note 21) and cash (note 22).

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors (note 23)

25. DEFERRED TAXATION

	2020 £000	*2019* *£000*
At beginning of year	**1,446**	*2,475*
Charged to profit or loss	**(1,041)**	*(1,831)*
Charged to other comprehensive income	**(4,104)**	*802*
AT END OF YEAR	**(3,699)**	*1,446*

The deferred tax balance is made up as follows:

	2020 £000	*2019* *£000*
Difference between accumulated depreciation, amortisation and capital allowances	**2,885**	*2,793*
Deferred tax on defined benefit pension plans	**(6,990)**	*(1,799)*
Other short term timing difference	**406**	*452*
	(3,699)	*1,446*
COMPRISING:		
Asset	**3,291**	*3,245*
Liability	**(6,990)**	*(1,799)*
	(3,699)	*1,446*

26. OTHER PROVISIONS

	Restructuring £000	Other £000	Total £000
At 1 January 2020	**412**	**283**	**695**
Charged to profit or loss	**75**	**135**	**210**
Utilised in year	**(360)**	**(319)**	**(679)**
AT 31 DECEMBER 2020	**127**	**99**	**226**

Restructuring
Restructuring provisions relate to ongoing projects to optimise structures within the Company. This includes best estimates for severance costs, stock destruction costs and site decommissioning costs.

Others
Other provisions mainly relates to best estimates for employee severance and associated costs that are not related to a restructuring project.

The expected time period of these provisions is up to 1 year.

27. CALLED UP SHARE CAPITAL

	2020 £000	*2019 £000*
Allotted, called up and fully paid		
100,000,000 *(2019 - 100,000,000)* Ordinary shares of £1.00 each	**100,000**	*100,000*

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

28. RESERVES

Revaluation reserve

The Revaluation reserve comprises the effect of the revaluation of freehold land and buildings which were revalued as at 1 January 2014 during the transition to FRS102.

Other reserves

Other reserves comprises the effects of cash-flow hedges and net investment hedges.

29. PENSIONS

Defined contribution pension plan

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,089,000 *(2019 - £2,046,000)*. There were no outstanding contributions payable to the fund at the reporting date of the current or prior year.

Defined benefit pension plan

The Company operates three defined benefit pension plans for certain employees of the Company: Acheson Industries (Europe) Limited Retirement Benefits Scheme (AIEL), the Dylon Retirement Benefits Plan (DRBP) and the Jeyes UK Pension Scheme (JUKPS). The Company also participates within another shared defined benefit pension plan - Henkel Retirement Benefits Scheme (HRBS) - for certain employees of both the Company and Henkel UK Operations Limited, its subsidiary company incorporated in the United Kingdom.

The defined benefit pension schemes provide benefits based on final pensionable pay and all are now closed to new entrants. Three of the defined benefit pension schemes (AIEL, DRBP and JUKPS) are closed to future accrual, and on 30 June 2021 the HRBS defined benefit pension scheme that the Company participates in was also closed to future accrual.

The assets of the schemes are held separately from those of the Company in independently administered funds.

The fair value of the scheme's assets are not intended to be realised in the short term and may be subject to significant change before they are realised. The present value of the scheme's liabilities are derived from cash flow projections over the long term and are inherently uncertain.

The Company has determined that a proportional approach should be applied to determine the allocation of the HRBS defined benefit pension plan between the Company and Henkel UK Operations Limited, which would be updated as and when revised census data was available following each triennial funding valuation. Each entity recognises the apportioned assets, liabilities and costs of the net defined benefit plan in its own financial statements.

The disclosures below are prepared on an aggregated basis of the three defined benefit pension schemes (AIEL, DRBP and JUKPS) and a proportion of the shared defined benefit pension scheme (HRBS)..

29. PENSIONS (CONTINUED)

Reconciliation of present value of plan liabilities:

	2020 £000	*2019 £000*
At the beginning of the year	**440,389**	*398,809*
Current service cost	**1,579**	*1,494*
Interest cost	**9,107**	*10,933*
Actuarial gains/losses	**18,546**	*45,782*
Participant contributions	**13**	*25*
Benefits paid	**(13,786)**	*(16,654)*
Past service cost	**736**	*-*
AT THE END OF THE YEAR	**456,584**	*440,389*

Reconciliation of fair value of plan assets:

	2020 £000	*2019 £000*
At the beginning of the year	**455,645**	*415,942*
Interest income	**9,445**	*11,488*
Employer contributions	**1,911**	*3,778*
Actuarial gains/losses	**40,145**	*41,066*
Participant contributions	**13**	*25*
Benefits paid	**(13,786)**	*(16,654)*
AT THE END OF THE YEAR	**493,373**	*455,645*

Composition of plan assets:

	2020 £000	*2019 £000*
Cash and cash equivalents	**1,062**	*2,263*
Equity instruments	**33,136**	*35,315*
Debt instruments	**170,621**	*165,014*
Other	**288,554**	*253,053*
TOTAL PLAN ASSETS	**493,373**	*455,645*

29. PENSIONS (CONTINUED)

	2020	*2019*
	£000	*£000*
Fair value of plan assets	**493,373**	*455,645*
Present value of plan liabilities	**(456,584)**	*(440,389)*
NET PENSION SCHEME ASSET	**36,789**	*15,256*

The amounts recognised in profit or loss are as follows:

	2020	*2019*
	£000	*£000*
Current service cost	**1,579**	*1,494*
Net interest income	**(338)**	*(555)*
Past service cost	**736**	*-*
TOTAL	**1,977**	*939*

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was a gain of £21,599,000 *(2019 - loss £4,716,000).*

The Company expects to contribute £4,417,000 to its Defined benefit pension scheme in 2021.

29. PENSIONS (CONTINUED)

Changes in Actuarial Assumptions

The actuarial assumptions have changed since the last actuarial valuation as at 31 December 2019, and this resulted in an overall increase in the benefit obligation. Details of the principal current assumptions are shown in the below table.

The most material assumptions are the discount rate, inflation rate and mortality. The impact on the results due to changes in these assumptions was as follows:

- Discount rate - the decrease in the discount rate has caused the year end liabilities and the service cost for 2021 to increase, whereas the overall estimated pension expense for 2021 has decreased.
- Inflation rate - inflation was unchanged
- Mortality - the updates to the mortality assumptions has caused the year end liabilities and the service cost for 2021 to decrease, and the overall estimated pension expense for 2021 has decreased.

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2020 %	*2019* %
Discount rate	**1.40**	*2.10*
Future salary increases	**3.65**	*3.65*
Future pension increases	**2.58**	*2.58*
Inflation assumption	**3.15**	*3.15*
Mortality rates		
- for a male aged 65 now	**22.9**	*24.4*
- at 65 for a male aged 40 now	**25.2**	*27.0*
- for a female aged 65 now	**24.8**	*26.2*
- at 65 for a female member aged 40 now	**27.1**	*28.8*

29. PENSIONS (CONTINUED)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Defined benefit obligation	**(456,584)**	*(440,389)*	*(398,809)*	*(429,738)*	*(376,552)*
Scheme assets	**493,373**	*455,645*	*415,942*	*434,009*	*372,108*
SURPLUS/(DEFICIT)	**36,789**	*15,256*	*17,133*	*4,271*	*(4,444)*
Effect of changes in demographic assumptions	**26,429**	-	-	-	-
Effect of changes in financial assumptions	**(56,580)**	*(45,782)*	*29,198*	*(18,475)*	*(98,291)*
Effect of experience adjustments on scheme liabilities	**11,605**	-	*(152)*	*12,126*	-
Experience adjustments on scheme assets	**40,145**	*41,066*	*(24,999)*	*10,291*	*61,502*
Total remeasurement recognised in OCI	**21,599**	**(4,716)**	**4,047**	**3,942**	**(36,789)**

30. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	**766**	*1,166*
Later than 1 year and not later than 5 years	**3,093**	*3,433*
Later than 5 years	**2,817**	*3,604*
	6,676	*8,203*
Other		
Not later than 1 year	**777**	*912*
Later than 1 year and not later than 5 years	**782**	*1,347*
Later than 5 years	**-**	-
Total	**1,559**	*2,259*

31. RELATED PARTY TRANSACTIONS

The Company has availed of the exemption in FRS 102, Section 33 Related Party Transactions, which exempts the Company from disclosing transactions entered into between two or more members of the group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

32. POST BALANCE SHEET EVENTS

On 1 June 2021 the Company sold one of its trademarks, Rightguard, for a consideration of USD 49,232,529. On 2 June 2021 the Company sold one of its trademarks, Nitromors, for a consideration of EUR 622,615. On 30 June 2021 one of the defined benefit pension plans that the Company participates in was closed to future accrual. These are all considered as non-adjusting events for the Company's financial statements at 31 December 2020.

There have been no other significant events affecting the Company since the year end.

33. CONTROLLING PARTY

The immediate parent company is Henkel Nederland B.V., a company incorporated in the Netherlands. The ultimate parent company and controlling party is Henkel AG & Co. KGaA, a company incorporated in Germany. The largest and smallest group in which the results of the company are consolidated is that headed by Henkel AG & Co. KGaA. The registered office of Henkel AG & Co. KGaA is at Henkelstraße 67, 40589 Düsseldorf, Germany. The consolidated accounts of the Henkel Group are available to the public and may be obtained from the Secretary, Henkel Limited, Wood Lane End, Hemel Hempstead, Hertfordshire, HP2 4RQ and are available to download at www.henkel.com/investor-relations.