

BOBRICK WASHROOM EQUIPMENT LIMITED

(Registered Number: 2848421)

DIRECTORS' REPORT AND ACCOUNTS

31 OCTOBER 1996



BOBRICK WASHROOM EQUIPMENT LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the Company, together with the accounts and auditors' report, for the year ended 31 October 1996.

PRINCIPAL ACTIVITY

The principal activity of the Company is the distribution of washroom products produced by Bobrick Washroom Equipment, Inc. a company incorporated in the United States of America.

RESULTS

In the year to 31 October 1996 the Company made a loss of £42,569 (1995: profit £452) which was transferred to reserves.

DIVIDENDS

The directors do not recommend the payment of a dividend (1995: £Nil).

DIRECTORS AND THEIR INTERESTS

The directors of the Company during the period were:

Ms Regina M Yates
Mr Mark S Louchheim
Mr William S Louchheim Jr.

No director held any shares in the Company at any time during the period.

FIXED ASSETS

The Company had no fixed assets at 31 October 1996.

TAXATION STATUS

The Company is not a close company as defined by the Income and Corporation Taxes Act 1988.

POST BALANCE SHEET EVENTS

There were no post balance sheet events which have a material impact on the state of affairs of the Company at 31 October 1996 or its profit for the year to that date.

AUDITORS

The Company auditors, Price Waterhouse, have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting and for their reappointment.

By Order of the Board



Ms Regina M Yates
Company Secretary 18 July 1997

BOBRICK WASHROOM EQUIPMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF BOBRICK WASHROOM EQUIPMENT LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 October 1996 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

18 July 1997

BOBRICK WASHROOM EQUIPMENT LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 31 OCTOBER 1996**

	Year ended 31 October 1996 £	Year ended 31 October 1995 £
TURNOVER - continuing operations (Note 1b & 2)	268,241	248,688
Cost of sales	(178,426)	(73,817)
GROSS PROFIT	89,815	174,871
Administrative expenses	(120,771)	(140,883)
Distribution costs	(17,834)	(34,588)
OPERATING (LOSS) - continuing operations	(48,790)	(600)
Interest receivable and similar income (Note 3)	6,221	1,203
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 4)	(42,569)	603
Tax on profit on ordinary activities (Note 1d & 6)	-	(151)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	(42,569)	452
Dividends	-	-
RETAINED (LOSS)/PROFIT FOR THE PERIOD	(42,569)	452
Accumulated profit brought forward	14,627	14,175
ACCUMULATED (LOSS)/PROFIT CARRIED FORWARD	(27,942)	14,627
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
(Loss)/Profit for the financial period	(42,569)	452
Opening shareholders' funds	14,727	14,275
Closing shareholders' funds	(27,842)	14,727

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR TO 31
OCTOBER 1997**

The Company had no recognised gains or losses during the period other than those reflected in the profit and loss account above.

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR TO 31 OCTOBER 1996

There is no difference between the reported profits for the period and those that would be reported under the historical cost convention.

The accompanying notes form an integral part of this statement.

BOBRICK WASHROOM EQUIPMENT LIMITED

BALANCE SHEET AS AT 31 OCTOBER 1996

	31 October 1996 £	31 October 1995 £
CURRENT ASSETS		
Stock (Note 7)	152,467	189,890
Debtors (Note 8)	165,116	175,541
Cash at bank and in hand	101,863	253,144
	<u>419,446</u>	<u>618,575</u>
CREDITORS - Amounts falling due within one year (Note 9)	(447,288)	(603,848)
	<u>(27,842)</u>	<u>14,727</u>
NET CURRENT ASSETS		
	<u>(27,842)</u>	<u>14,727</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
	<u>(27,842)</u>	<u>14,727</u>
NET ASSETS	<u>(27,842)</u>	<u>14,727</u>
CAPITAL AND RESERVES		
Share capital (Note 10)	100	100
Profit and loss account	(27,942)	14,627
	<u>(27,842)</u>	<u>14,727</u>
TOTAL SHAREHOLDERS' FUNDS	<u>(27,842)</u>	<u>14,727</u>

APPROVED BY THE BOARD ON

1997



Ms Regina M Yates

Director

The accompanying notes form an integral part of this statement.

BOBRICK WASHROOM EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1996

1 ACCOUNTING POLICIES

The principal accounting policies are:

a) Basis of accounting

The accounts are prepared under the historical cost convention and on a going concern basis and in accordance with applicable accounting standards.

b) Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

d) Cash Flow Statement

No cash flow statement is required under the small companies exemptions Companies Act 1985.

e) Stock

Stock is valued at the lower of cost and net realisable value.

BOBRICK WASHROOM EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1996 (CONTINUED)

2 TURNOVER

Turnover in the period to 31 October 1996 was £268,241(1995 - £248,688), wholly derived in the UK.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31 October 1996 £	Year to 31 October 1995 £
Interest payable	-	(69)
Interest receivable on bank deposits	<u>6,221</u>	<u>1,272</u>
	<u>6,221</u>	<u>1,203</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Staff costs are borne by the parent company with no recharge to the Company. Auditor's fees in 1995 were borne by the parent company. In 1996 £2,550 was charged in respect of auditor's fees.

5 EMPLOYEE INFORMATION

- a) The company had no employees during the year to 31 October 1996 (1995 : Nil).
- b) Directors' emoluments:

All directors are paid by the parent company. There were no charges for services rendered by the parent company in the year to 31 October 1996.

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the taxable profit for the period and comprises:

	Year to 31 October 1996 £	Year to 31 October 1995 £
Corporation tax at 33%	<u>---</u>	<u>151</u>

7 STOCK

	31 October 1996 £	31 October 1995 £
Finished goods	<u>152,467</u>	<u>189,890</u>

BOBRICK WASHROOM EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1996 (CONTINUED)

8 DEBTORS

	31 October 1996 £	31 October 1995 £
VAT recoverable	104,026	73,571
Trade debtors	<u>61,090</u>	<u>101,970</u>
	<u>165,116</u>	<u>175,541</u>

9 CREDITORS - Amounts falling due within one year

	31 October 1996 £	31 October 1995 £
Trade creditors	23,480	22,500
Other creditors - Intercompany	329,739	522,130
Corporation tax	-	151
Taxation and social security	91,270	59,067
Accruals	<u>2,799</u>	<u>-</u>
	<u>447,288</u>	<u>603,848</u>

10 CALLED UP SHARE CAPITAL

	<u>Authorised</u> £	Allotted, Issued and <u>fully paid</u> £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 FINANCIAL SUPPORT

The immediate parent company, Bobrick Washroom Equipment Inc, has confirmed that it will meet the liabilities of Bobrick Washroom Equipment Limited as they fall due.

11 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Bobrick Washroom Equipment, Inc and the ultimate parent company is The Bobrick Corporation, a company registered in the United States of America. Copies of The Bobrick Corporation's financial statements can be obtained from 11611, Hart Street, North Hollywood, CA 91605 5852, United States of America.

The company has taken advantage of the exemption offered by FRS8 not to disclose related party transactions with other group companies.