

**Annual report and Financial Statements
For the year ended 31 October 2016**

Bobrick Washroom Equipment Ltd



Registered number: 02848421

Bobrick Washroom Equipment Ltd

Company Information

Directors	W S Louchheim M Louchheim A I Sweibel
Company secretary	A I Sweibel
Company number	02848421
Registered office	1 Hays Lane London SE1 2RD
Independent Auditor	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX
Bank	Wells Fargo, N.A. London One Plantation Place 30 Fenchurch Street London EC3M 3BD

Bobrick Washroom Equipment Ltd

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Directors' report

For the year ended 31 October 2016

The Directors present their report and the audited financial statements for the year ended 31 October 2016. This is the first year in which the financial statements have been prepared under section 1A of FRS 102. The date of transition was 1 November 2014. Details of the transition to section 1A of FRS 102 are disclosed in Note 12.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The directors have not prepared a strategic report for the year ended 31 October 2016 as an exemption is provided to small companies within the provisions of the Companies Act 2006.

Principal activity

The principal activity of the company during the year was the distribution of washroom products provided by Bobrick Washroom Equipment, Inc., a company incorporated in the United States of America.

Future Developments

The principal activities are not anticipated to change in the foreseeable future. The results for the year are in line with the directors expectations within their control.

Principal Risks

The management of the business and the execution of the company's strategy are subject to a number of risks.

The directors of the Group manage the group's risks at a Group level. These are discussed in the Group's annual report and accounts (which does not form part of this report).

Directors

The Directors who served during the year and up to the date of signing the financial statements were:

W S Louchheim
M Louchheim
A I Sweibel

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for the preparation of 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" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;

Directors' report (continued)

For the year ended 31 October 2016

Statement of Directors' responsibilities in respect of the financial statements (continued)

- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

Going concern

As at 31 October 2016 the company had net liabilities of £4,973,276 (2015: £3,204,047). The company has received a letter of support from its parent entity which shows that it will be able to meet its financial obligations for at least twelve months and a day from date of approval of the financial statements. In view of this, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

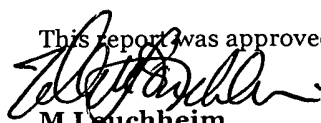
- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have been appointed auditors of the Company in accordance with section 485 of the Companies Act 2006. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and shall be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Act.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 July 2017 and signed on its behalf.


M Louchheim
Director

Bobrick Washroom Equipment Ltd

Independent auditors' report to the members of Bobrick Washroom Equipment Ltd

Report on the financial statements

Our opinion

In our opinion, Bobrick Washroom Equipment Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 October 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 October 2016;
- the Income Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Bobrick Washroom Equipment Ltd

Independent auditors' report to the members of Bobrick Washroom Equipment Limited (continued)

Other matters on which we are required to report by exception (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

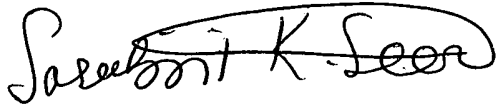
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sarabjit Seera (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

31 July 2017

Bobrick Washroom Equipment Ltd**Income Statement****For the year ended 31 October 2016**

	Note	2016	2015
		£	£
Turnover		2,417,152	2,164,707
Cost of sales		<u>(2,085,435)</u>	<u>(1,807,957)</u>
Gross profit		331,717	356,750
Other operating charges		<u>(2,101,073)</u>	<u>(1,015,303)</u>
Operating loss	5	(1,769,356)	(658,553)
Interest receivable and similar income		<u>127</u>	<u>239</u>
Loss on ordinary activities before taxation		(1,769,229)	(658,314)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss for the financial year	10	<u>(1,769,229)</u>	<u>(658,314)</u>

The notes on pages 7 to 12 form part of these financial statements.

All results derive from continuing operations.

The company has no other comprehensive income other than those included in the income statement above, and therefore no separate statement has been presented.

Statement of Financial Position

As at 31 October 2016

	Note	£	2016 £	£	2015 £
Current assets					
Inventories	6	654,237		643,887	
Debtors	7	592,827		419,908	
Cash at bank and in hand		<u>276,976</u>		<u>706,091</u>	
		1,524,040		1,769,886	
Creditors: amounts falling due within one year	8	<u>(6,497,316)</u>		<u>(4,973,933)</u>	
Net current liabilities			<u>(4,973,276)</u>		<u>(3,204,047)</u>
Net Liabilities			<u>(4,973,276)</u>		<u>(3,204,047)</u>
Capital and reserves					
Called-up share capital	9		100		100
Retained deficit	10		<u>(4,973,376)</u>		<u>(3,204,147)</u>
Total equity			<u>(4,973,276)</u>		<u>(3,204,047)</u>

These accounts have been prepared in accordance with the provisions applied to companies subject to small companies regime and in accordance with the provisions of FRS 102 section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on ²⁷July 2017.


M Louchheim
 Director

The notes on pages 7 to 12 form part of these financial statements.

Notes to the financial statements

For the year ended 31 October 2016

1. General Information

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

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England (registered number: 02848421). The address of its registered office is 1 Hays Lane, London, SE1 2RD.

2. Statement of Compliance

The individual financial statements of Bobrick Washroom Equipment Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") section 1A for small entities and the Companies Act 2006.

In accordance with section 381 of the Companies Act 2006, we have applied the provisions of the small companies regime in preparing the financial statements.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 section 1A for small entities in these financial statements. Details of the transition to FRS 102 are disclosed in Note 12.

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102 section 1A for small entities. The date of transition to FRS 102 was 1 November 2014. Details of the transition to FRS 102 section 1A for small entities are disclosed in Note 12.

The Company has chosen to apply paragraph 1A (2) of Schedule 1 to the Companies Regulations and adapt the profit and loss account format and terminology to comply with Section 5 of FRS 102 (issued in July 2015). The Company has also chosen to apply paragraph 1A (1) of Schedule 1 to adapt the balance sheet format and terminology to comply with Section 4 of FRS 102 (issued in July 2015).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

As at 31 October 2016 the company had net liabilities of £4,973,276 (2015: £3,204,047). The company has received a letter of support from its parent entity which shows that it will be able to meet its financial obligations for at least twelve months and a day from date of approval of the financial statements. In view of this, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

Notes to the financial statements (continued)

For the year ended 31 October 2016

3.1 Basis of preparation of financial statements (continued)

The company is included in the consolidated financial statements of The Bobrick Corporation. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1A.7 on the grounds that it is a small company. The company is also exempt under the terms of section 33.1A "Related Party Disclosures" from disclosing related party transactions with entities that are part of The Bobrick Corporation group.

3.2 Turnover and interest income

Turnover comprises revenue recognised by the Company in respect of goods supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recorded when title and risk of loss has transferred to customer which is when products are dispatched.

Turnover arises in the United Kingdom and Europe.

Interest income is recognised using the effective interest rate method

3.3 Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving inventories. Cost is determined on the first-in, first-out ("FIFO") basis. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

3.4 Foreign currencies

The company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

All foreign exchange gains and losses are presented in the income statement within 'Other operating charges'.

3.5 Taxation

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Notes to the financial statements (continued)

For the year ended 31 October 2016

3.5 Taxation (continued)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

There is no tax payable or receivable at 31 October 2016.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.6 Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3.7 Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

3.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.9 Financial instruments

i. Financial assets

Basic financial assets, including trade receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Notes to the financial statements (continued)

For the year ended 31 October 2016

3.9 Financial instruments (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4 Critical accounting judgements and estimation uncertainty

The Directors believe there are no critical judgements in applying the Company's accounting policies and no key accounting estimates and assumptions uncertainty.

5 Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Auditors' remuneration - audit	25,000	26,000
Auditors' remuneration - non-audit	45,603	26,193
Foreign exchange (gains)/losses	<u>(2,248,483)</u>	<u>568,998</u>

Notes to the financial statements (continued)

For the year ended 31 October 2016

5 Operating loss (continued)

None of the directors received nor were due remuneration from the Company during the year (2015: £nil). The emoluments of the directors were paid by the parent company. An amount of £160,861 (2015: £113,442) was charged by the parent company in respect of the directors' services.

The percentage of turnover that is attributable to geographical markets outside the UK is 81% (2015: 81%).

During the year, the average monthly number of employee was 4 (2015: 3).

6. Inventories

	2016	2015
	£	£
Finished goods and goods for resale	654,237	643,887

Inventories are carried at the lower of cost and net realisable value.

7. Debtors

	2016	2015
	£	£
Trade debtors	419,507	280,643
Other debtors	173,320	139,265
	592,827	419,908

8. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	9,033	12,006
Amounts owed to group undertakings	6,411,657	4,816,330
Other creditors	76,626	145,597
	6,497,316	4,973,933

The amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

Bobrick Washroom Equipment Ltd

Notes to the financial statements (continued)

For the year ended 31 October 2016

9. Called-Up Share capital

	2016	2015
	£	£
Allotted, called-up and fully paid		
100 Ordinary shares of £1 each (2015:100)	<u>100</u>	<u>100</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

10. Retained deficit

	£
At 1 November 2015	(3,204,147)
Loss for the financial year	<u>(1,769,229)</u>
At 31 October 2016	<u>(4,973,376)</u>

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Bobrick Washroom Equipment, Inc. and the ultimate parent company is The Bobrick Corporation, company is registered at 6901 Tujunga Avenue, North Hollywood, CA 91605 in the United States of America. The directors consider M. Louchheim to be the ultimate controlling party.

12. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102 section 1A for small companies. The last financial statements prepared under the previous UK GAAP were for the year ended 31 October 2015. The date of transition to FRS 102 was 1 November 2014. The Directors believe that there are no changes to the Company's accounting policies which might impact loss for the financial year ended 31 October 2015 or total equity as at 1 November 2014 and 31 October 2015 between UK GAAP as previously reported and FRS 102 section 1A for small entities.

13. Commitments and Contingencies

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016	2015
	£	£
Payment due:		
Not later than one year	12,800	-

The company had no other off-balance sheet arrangements.

As at 31 October 2016 the company had rent expense of £11,400 (2015: £8,200).