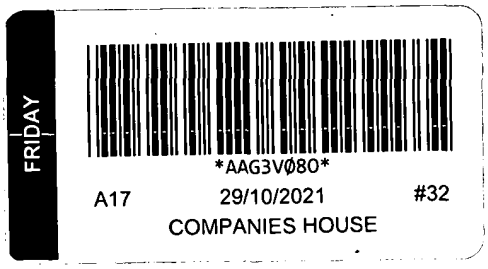
Annual report and Financial Statements
For the year ended 31 October 2020

Bobrick Washroom Equipment Ltd.

Registered number: 02848421



Bobrick Washroom Equipment Ltd.

Company Information

Directors	M Louchheim A I Sweibel M S Louchheim R Samhakson J Orme
Company secretary	A I Sweibel
Company number	02848421
Registered office	1 Chamberlain Square CS Birmingham B3 3AX
Independent Auditor	Bennett Brooks & Co Ltd St. George's Court Winnington Avenue Northwich, Cheshire CW8 4EE
Bank	Wells Fargo, N.A. London One Plantation Place 30 Fenchurch Street London EC3M 3BD

Bobrick Washroom Equipment Ltd.

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Bobrick Washroom Equipment Ltd.

Strategic report
For the year ended 31 October 2020

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 Chamberlain Square CS, Birmingham, B3 3AX .

Principal activities
The core business of the Company was the distribution of washroom products. However, the acquisition of Thrislington Cubicles Limited has expanded the business to include the manufacturing, selling and installation of cubicles, vanity units and duct access panelling.

Review of business
The results for the year and the financial position at the year end were considered satisfactory by the directors and who expect to maintain the company's position in the near future. Turnover in 2020 was £7,925,556 (2019: £9,595,242). Net liabilities in 2020 were £18,222,122 (2019: £16,151,323).

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The directors' review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

Management remain confident that continued growth will be achieved with the launch of further aspirational products, the rebranded Commercial and Education brochures and increased brand promotion both in the domestic and overseas markets. Internally, the business will continue to develop its operations in order to improve efficiency and increase capacity.

Financial risk management

Credit risk
All customers are subject to credit verification procedures. Debtors are regularly reviewed and provision for any doubtful debts is made as required.

Liquidity risk
Cash and borrowing requirements are regularly reviewed to ensure that sufficient liquidity is retained to meet the operating requirements of the group. In addition, Bobrick Washroom Equipment Ltd. is supported by its US parent who is in good standing with its US bank.

Foreign exchange risk
Foreign exchange risk is limited as the Euros' are the only other currency that is transacted with any volume and the Company has a natural hedge as it used those Euros to pay a large European vendor on behalf of the US parent.

Interest rate risk
The Group activities expose it to the financial risk of changes in interest rates. The Group has entered into an interest rate swap contract to hedge these exposures.

Capital risk management
Expansion of the Thrislington brand and production is planned in the US and financing will be reflected on the parent's financial statements. No further projects warranting requiring capital are expected in the UK.

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.

Key performance indicators
The company prepares monthly financial statements where turnover, gross profit, and profit before tax is reviewed by the directors. The results of the KPIs are as follows: turnover in 2020 was £7,925,556 (2019: £9,595,242); gross profit in 2020 was £1,771,830 (2019: £2,264,295); and loss before tax in 2020 was £2,070,799 (2019: £9,444,257).

This report was approved by the board on 22 October 2021 and signed on its behalf.

M Louchheim
Director

Bobrick Washroom Equipment Ltd.

Directors' report
For the year ended 31 October 2020

The Directors present their report and the audited consolidated financial statements for the year ended 31 October 2020.

Principal activities
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. On 31 January 2018, Bobrick Washroom Equipment Ltd. purchased the outstanding shares of Thrislington Cubicles Limited. On 31 October 2018, Bobrick Washroom Equipment Ltd. purchased the net assets of Thrislington Cubicles Limited pursuant to the Asset Purchase Agreement. Thrislington manufactures, sells and installs cubicles, vanity units and duct access paneling.

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. With the COVID-19 outbreak and resulting measures taken by various government agencies to contain the virus have negatively affected the company operationally and financially.

Financial risk management
Financial risk management is described in the Strategic report on page 4.

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

M Louchheim
A I Sweibel
M S Louchheim
R Samhakson
J Orme

Dividends
None of the directors received nor were due remuneration from the group or company during the year (2019: £nil).

Directors' indemnities
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Statement of directors' responsibilities in respect of the financial statements

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 group and company 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 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 group and company and of the profit or loss of the group and 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 judgements 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 group and company will continue in business.

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

The directors are also responsible for safeguarding the assets of the group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 directors are aware, there is no relevant audit information of which the group and 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 group and company's auditors are aware of that information.

Going concern
As at 31 October 2020 the group had net liabilities of £18,222,122 (2019: £16,151,323). The company has received a letter of support from its parent entity, which confirms that support will be made available in order for the company and group to meet their 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. As part of going concern assessment, impact of COVID-19 was also considered. The Directors believe that the company is expected to continue having significant headroom relative to the funding from the group available.

Post balance sheet events
Other than the on-going impact of the COVID-19 pandemic, there are no subsequent events. It is unclear how the duration of the pandemic and the possibility of further outbreaks will affect the Group's financial performance. The negative impact of COVID-19 has already had on the company, combined with the uncertainty of the global economy, management will need to take measures to be resilient, assess and manage the business for the long term and protect the interest of the stakeholders.

Independent Auditors
Bennett Brooks & Co Ltd have been appointed auditors of the Company in accordance with section 485 of the Companies Act 2006 following the resignation of PricewaterhouseCoopers LLP. The auditors, Bennett Brooks & Co Ltd, 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.

This report was approved by the board on 22 October 2021 and signed on its behalf.

M Louchheim
Director

Bobrick Washroom Equipment Ltd.

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

Opinion

We have audited the financial statements of Bobrick Washroom Equipment Ltd (the "company") and its subsidiaries (the "group") for the year ended 31 October 2020 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 31 October 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions related to going concern

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.

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 group's and 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.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and the Directors' Report, but does not include the financial statements and our Independent Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on pages five and six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 group's and 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 Independent 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 group and company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 posting inappropriate journal entries to increase profits, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business.

Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of board meeting minutes (where held).

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Independent auditors' report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Independent auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Leach FCA (Senior Statutory Auditor)

For and on behalf of Bennett Brooks & Co Limited, Statutory Auditor

St George's Court

Winnington Avenue

Northwich

Cheshire

CW8 4EE

22 October 2021

Bobrick Washroom Equipment Ltd.

Consolidated Income Statement
For the year ended 31 October 2020

	Note	2020	2019
		£	£
Turnover	7	7,925,556	9,595,242
Cost of sales		(6,153,726)	(7,330,947)
Gross profit		1,771,830	2,264,295
Administrative expenses		(2,203,286)	(2,991,718)
Selling expenses		(1,227,904)	(1,456,282)
Other operating expense		128,607	(6,511,671)
Operating loss	8	(1,530,753)	(8,695,376)
Interest receivable and similar income		358	2,241
Interest payable and similar expenses		(540,404)	(751,122)
Loss before taxation		(2,070,799)	(9,444,257)
Tax on loss	9	-	-
Loss for the financial year		(2,070,799)	(9,444,257)

The notes on pages 16 to 31 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.

The financial statements on pages 10 to 31 were approved by the Board of Directors on 22 October 2021.

Bobrick Washroom Equipment Ltd.

Consolidated Balance Sheet
As at 31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	18	5,933,281	6,330,130
Tangible assets	16	444,048	603,380
		6,377,329	6,933,510
Current assets			
Inventories	13	1,871,093	1,760,390
Debtors	14	2,362,104	2,933,705
Cash at bank and in hand		399,427	698,907
Restricted cash		20,000	20,000
		4,652,624	**5,413,002**
Creditors: amounts falling due within one year	15	(23,000,258)	(15,718,753)
Net current liabilities		(18,347,634)	(10,305,751)
Total assets less current liabilities		(11,970,305)	(3,372,241)
Creditors: amounts falling due after more than one year	15	(6,251,817)	(12,779,082)
Net liabilities		(18,222,122)	(16,151,323)
Capital and reserves			
Called-up share capital	20	100	100
Accumulated losses		(18,222,222)	(16,151,423)
Total equity		(18,222,122)	(16,151,323)

The notes on pages 16 to 31 form part of these financial statements.

The financial statements on pages 10 to 31 were approved by the Board of Directors on 22 October 2021 and signed on its behalf by

M Louchheim
Director

Bobrick Washroom Equipment Ltd.
Registered number: 02848421

Company Balance Sheet
As at 31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	19	28,444	28,444
Tangible assets	17	395,755	555,087
Investments	12	3,399,081	3,399,081
		3,823,280	3,982,612
Current assets			
Inventories	13	1,871,093	1,760,390
Debtors	14	2,520,105	3,091,704
Cash at bank and in hand		399,427	698,907
Restricted cash		20,000	20,000
		4,810,625	5,571,001
Creditors: amounts falling due within one year	15	(26,394,900)	(19,113,394)
Net current liabilities		(21,584,275)	(13,542,393)
Total assets less current liabilities		(17,760,995)	(9,559,781)
Creditors: amounts falling due after more than one year	15	(6,296,455)	(12,823,719)
Net liabilities		(24,057,450)	(22,383,500)
Capital and reserves			
Called-up share capital	20	100	100
Accumulated losses		(22,383,600)	(20,825,209)
Loss for the financial year		(1,673,950)	(1,558,391)
Total equity		(24,057,450)	(22,383,500)

The notes on pages 16 to 31 form part of these financial statements.

The financial statements on pages 10 to 31 were approved by the Board of Directors on 22 October 2021 and signed on its behalf by

M Lowenheim
Director

Bobrick Washroom Equipment Ltd.

Consolidated Statement of Changes in Equity
For the year ended 31 October 2020

	Called up Share capital £	Profit and loss account £	Total equity attributable to owners of company £	Total equity £
At 01 November 2018	100	(6,707,166)	(6,707,066)	(6,707,066)
Loss for the financial year	-	(9,444,257)	(9,444,257)	(9,444,257)
Total comprehensive expense	-	(9,444,257)	(9,444,257)	(9,444,257)
At 31 October 2019	100	(16,151,423)	(16,151,323)	(16,151,323)
At 01 November 2019	100	(16,151,423)	(16,151,323)	(16,151,323)
Loss for the financial year	-	(2,070,799)	(2,070,799)	(2,070,799)
Total comprehensive expense	-	(2,070,799)	(2,070,799)	(2,070,799)
At 31 October 2020	100	(18,222,222)	(18,222,122)	(18,222,122)

The notes on pages 16 to 31 form part of these financial statements

Bobrick Washroom Equipment Ltd.

Company Statement of Changes in Equity
For the year ended 31 October 2020

	Called up Share capital £	Accumulated losses £	Total equity £
At 01 November 2018	100	(20,825,209)	(20,825,109)
Loss for the financial year	-	(1,558,391)	(1,558,391)
Total comprehensive expense	-	(1,558,391)	(1,558,391)
At 31 October 2019	100	(22,383,600)	(22,383,500)
At 01 November 2019	100	(22,383,600)	(22,383,500)
Loss for the financial year	-	(1,673,950)	(1,673,950)
Total comprehensive expense	-	(1,673,950)	(1,673,950)
At 31 October 2020	100	(24,057,550)	(24,057,450)

The notes on pages 16 to 31 form part of these financial statements

Bobrick Washroom Equipment Ltd.

Consolidated Statement of Cash Flows
For the year ended 31 October 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(2,070,799)	(9,444,257)
Adjustments to cash flows from non-cash items			
Depreciation	16	205,343	122,448
Amortisation of intangibles	18	396,849	1,182,540
Loss on impairment of intangibles	18	-	6,703,324
Increase/(write off) of allowance for doubtful account		55,213	(129,567)
Loss/(gains) on disposal of tangible assets		2,308	(15,794)
		659,713	7,862,951
Working capital adjustments			
(Increase) in stocks		(110.703)	(193.007)
Decrease in debtors		516,386	620,095
Increase in creditors		8,133,880	2,860,269
		8,539,563	3,287,357
Interest income		(358)	(2,241)
Interest element of borrowing payments		540,404	369,442
Cash generated by operating activities		7,668,526	2,073,252
Investing activities			
Proceeds from sales of tangible assets		22,676	38,640
Payments to acquire tangible fixed assets		(70,995)	(398,327)
Interest received		358	2,241
Cash (used) in investing activities		(47,961)	(357,446)
Financing activities			
Interest paid		(954,181)	(369,442)
Receipt from restricted cash and cash equivalents		-	280,000
Proceeds from other borrowings		-	-
Repayment of other borrowings		(6,953,492)	(1,800,000)
Cash (used)/generated by financing activities		(7,907,673)	(1,889,442)
Net cash generated			
Cash generated by operating activities		7,668,526	2,073,252
Cash (used) in investing activities		(47,961)	(357,446)
Cash (used)/generated by financing activities		(7,907,673)	(1,889,442)
Effect of exchange rate		(12,372)	(82,949)
Net cash (used)		(299,480)	(256,585)
Cash and cash equivalents at 1 November		698,907	955,492
Cash and cash equivalents at 31 October		399,427	698,907

The notes on pages 16 to 31 form part of these financial statements.
The financial statements on pages 10 to 31 were approved by the Board of Directors on 22 October 2021.

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 and the manufactures, sale and installation of cubicles, vanity units and duct access paneling under the Thrislington brand name.

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 Chamberlain Square CS, Birmingham, B3 3AX.

2. Statement of Compliance

The group and 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") and the Companies Act 2006.

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.

3.1 Basis of preparation of financial statements

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

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 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.

Going concern

As at 31 October 2020 the group had net liabilities of £18,222,122 (2019: £16,151,423). The company has received a letter of support from its parent entity, which confirms that support will be made available in order for the company and group to meet their 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. As part of going concern assessment, impact of COVID-19 was also considered. The Directors believe that the company is expected to continue having significant headroom relative to the funding from the group available.

Basis of consolidation

The results of divisions acquired or disposed are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of divisions to bring their accounting policies into line with those used by the Group.

Intra-group transactions and balances between the Company and its divisions are eliminated.

The company is included in the consolidated financial statements of The Bobrick Corporation. The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. Consequently, as the company is a 100% owned subsidiary.

3.2 Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for the control of the acquired, plus any costs directly attributable to the business combination.

3.3 Investments

Investments in equity shares which are publicly traded where the fair value can be measured reliably are initially measured at fair value, which changes in fair value recognized in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

3.4 Turnover and interest income

Turnover comprises revenue recognised by the Group 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 from the rendering of services is recognized by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Interest income is recognised using the effective interest rate method.

3.5 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.

3.6 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'.

3.7 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.

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 2020 or 31 October 2019.

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.

3.8 Fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	10% - 50% straight line
Vehicles, fixtures, fittings, tools and equipment	10% - 33% straight line

3.9 Intangible assets

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

Tradename relates to the "Thrislington" tradename which has developed a reputation through high end products and reliability. The tradename has allowed the company to keep its' existing customers and gaining new contracts. Tradenames are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives which is 20 years.

Amortisation is included in 'administrative expenses' in the profit and loss account.

3.10 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.

3.11 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.

The Group has £20,000 in restricted cash as of 31 October 2020 (2019: £20,000) relating to outstanding arrangements with the bank.

3.12 Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

3.13 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.

3.14 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.

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.

3.15 Derivatives instruments

The Company has interest rate related derivative instruments to manage its exposure relative to its debt instruments. During fiscal year 2019 the Company entered into an interest rate swap for seven years. Under the interest rate swap the Company will pay a fixed interest rate of 1.43% instead of the GBP One Month Floating Libor rate of 1.29% as of 31 October 2019.

4. Critical accounting judgements and estimation uncertainty

The preparation of the financial statement require management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future periods affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Recoverable amount of Thrislington cash-generating unit (note 18)

Annually, the group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

The recoverable amount of the Thrislington CGU is a source of significant estimation uncertainty and determining this involved the use of significant assumptions. See note 18 for details of the key assumption and sensitivity analysis.

5. Business Combination

On 31 January 2018, Bobrick Washroom Equipment Ltd.., purchased all the outstanding shares of Thrislington Cubicles Limited ("Thrislington") pursuant to the Share Purchase Agreement for a total purchase price of £17,632,000. The purchase was funded out of equity from the parent company and a term loan with a local bank amounting to £12,600,000.

Bobrick management engaged Duff and Phelps ("D&P") to carry out a purchase price allocation in order to value goodwill and intangible assets arising from this acquisition which is reflected in the Bobrick group consolidated financial statements under FRS102 at 31 January 2018.

6. Sale of assets

On 31 October 2018, Bobrick Washroom Equipment Ltd. purchased the net assets of Thrislington Cubicles Limited pursuant to the Asset Purchase Agreement at net book value. No goodwill was generated on the acquisition of trade assets. The consideration of exchange remains as an intercompany balance of £3,399,082.

7. Turnover

	2020	2019
	£	£
Sale of goods and services	7,925,556	9,595,242
By geographical market:		
UK	3,474,466	4,393,788
Europe	2,399,191	3,074,150
North America	1,434,783	1,251,488
Rest of world	617,116	875,816
	7,925,556	9,595,242

8. Operating loss

The operating loss is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration – audit	54,400	121,000
Auditors' remuneration - non-audit	85,145	66,809
Foreign exchange loss/(gains)	314,463	485,388
Operating leases - buildings	139,148	162,202

Auditors' remuneration payable to Bennett Brooks & Co Limited in respect of audit of the consolidated financial statements was £25,000 in the year ended 31 October 2020. All other amounts noted above were paid to the previous auditors, PwC LLP.

9. Tax on loss

	2020 £	2019 £
Current tax:		
UK corporation tax on profit for the year	-	-
Deferred tax	-	-
Total tax charge	-	-

Reconciliation between accounting and tax losses

	2020 £	2019 £
(Loss) before taxation	(2,070,799)	(9,444,257)
Current tax benefit at 19% (2019: 19%)	(393,451)	(1,794,409)
Effects of:		
Expenses not deductible	-	1,273,632
Losses	393,451	520,777
Total tax	-	-

In the Spring Budget 2020, the Government announced that the previously enacted decrease in the corporate tax rate from 19% to 17% from 1 April 2020 would no longer happen and that rates would remain at 19% for the foreseeable future. The new law was substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 on 17 March 2020. As the new law was substantively enacted pre year end, the impact of the change to 19% has been reflected in the financial statements for the year ended 31 October 2020 and the un-provided deferred tax balances disclosed at 19%

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%.Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements

Deferred taxes are recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the Balance Sheet date. As the deferred taxes of the Company are not expected to reverse within the next year, they have been measured at the substantively enacted tax rate of 17%.

The deferred tax asset of GBP 1,826,206 (2019: 1,443,254) is not recognised due to the uncertainty regarding the recoverability of the asset as the Company has generated little to no profits since inception.

10. Directors' emoluments

	2020 £	2019 £
Emoluments	296,531	189,664
Company contributions to defined contribution pension plans	15,250	13,556
Social security costs	42,909	20,615
	354,690	223,835

	2020 Number	2019 Number
Defined contribution plans	1	1

Total emoluments and pension contributions relating to the highest paid director was £174,331 (2019: £167,750)

11. Staff Costs

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Wages and salaries	2,230,256	2,543,678	2,230,256	2,543,678
Social security costs	239,737	267,388	239,737	267,388
Other pension costs	105,583	96,667	105,583	96,667
	2,575,576	2,907,733	2,575,576	2,907,733

Average number of employees during the year	2020 Number	2019 Number
Administration	19	19
Distribution	18	22
Manufacturing	18	19
Sales	14	12
	69	72

12. Investments

	Investments
	£
Cost or valuation	
At 1 November 2019	3,399,081
At 31 October 2020	3,399,081
Net book value	
At 1 November 2019	3,399,081
At 31 October 2020	3,399,081

Investments

The following were Investments of the Company:

Name	Class of shares	Holding	Principal activity
Thrislington Cubicles Limited	Ordinary	100%	Dormant

The registered address of the company is 1 Chamberlain Square CS, Birmingham, B3 3AX.

The aggregate of the share capital and reserves as at 31 October 2020 and as at 31 October 2019 and of the profit or loss for the year ended on that date for the investments were as follows:

	Aggregate of share capital and reserves	Profit	Aggregate of share capital and reserve	Profit
	2020 £	2020 £	2019 £	2019 £
Thrislington Cubicles Limited	3,399,082	-	3,399,082	-

The directors consider the carrying value of the investment to be supported by the net asset value of its investments.

13. Inventories

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumable	851,718	754,387	851,718	754,387
Work in progress	70,727	29,288	70,727	29,288
Finished goods and goods for resale	948,648	976,715	948,648	976,715
Total	1,871,093	1,760,390	1,871,093	1,760,390

Inventories are carried at the lower of cost and net realisable value. There is no material difference between carrying amount of inventory and the replacement cost.

The amount of inventory recognised as an expense during the year was £6,153,726 (2019: £7,330,947) for the Group and Company.

14. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	1,888,034	2,302,629	1,905,924	2,320,519
Other debtors	392,687	486,288	392,687	486,288
Prepayments and deposits	81,383	144,788	221,494	284,897
Total	2,362,104	2,933,705	2,520,105	3,091,704

15. Creditors

Amounts falling due within one year:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Loans and borrowings - Bank	1,800,000	1,800,000	1,800,000	1,800,000
Loans and borrowings – Bobrick Washroom Equipment Company	-	400,901	-	400,901
Trade creditors	935,814	1,107,672	935,814	1,107,672
Amounts owed to group undertakings	19,714,035	11,610,188	23,113,117	15,009,270
Other creditors	550,409	799,992	545,969	795,551
Total	23,000,258	15,718,753	26,394,900	19,113,394

Bank loans above are guaranteed by Bobrick Washroom Equipment, Inc.

15. Creditors (continued)

Amounts due after one year:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Loans and borrowings - Bank	6,000,000	7,800,000	6,000,000	7,800,000
Loans and borrowings – Bobrick Washroom Equipment Company	-	4,764,963	-	4,764,963
Accruals	251,817	214,119	296,455	258,756
	6,251,817	12,779,082	6,296,455	12,823,719

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

16. Tangible assets - Group

	Plant and machinery *At cost*	Vehicles, fixtures, fittings, tools and equipment *At cost*	Total
	£	£	£
Cost			
At 1 November 2019	405,772	379,152	784,924
Additions	38,235	32,760	70,995
On disposals	-	(30,539)	(30.539)
At 31 October 2020	444,007	381,373	825,380
Depreciation			
At 1 November 2019	98,489	83,055	181,544
Charge for the year	79,167	126,176	205,343
Disposals	-	(5,555)	(5,555)
At 31 October 2020	177,656	203,676	381,332
Carrying amount			
At 31 October 2020	266,351	177,697	444,048
At 31 October 2019	307,283	296,097	603,380

17. Tangible assets - Company

	Plant and machinery *At cost* £	Vehicles, fixtures, fittings, tools and equipment *At cost* £	Total £
Cost			
At 1 November 2019	285,037	471,887	756,924
Additions	38,235	32,760	70,995
On disposals	-	(30,539)	(30,539)
At 31 October 2020	323,272	474,108	797,380
Depreciation			
At 1 November 2019	89,710	112,127	201,837
Charge for the year	79,167	126,176	205,343
Disposals	-	(5,555)	(5,555)
At 31 October 2020	168,877	232,748	401,625
Carrying amount			
At 31 October 2020	154,395	241,360	395,755
At 31 October 2019	195,327	359,760	555,087

18. Intangible assets - Group

	Tradename	Goodwill	Total
	£	£	£
Cost			
At 1 November 2019	6,555,000	8,547,898	15,102,898
At 31 October 2020	6,555,000	8,547,898	15,102,898
Amortisation			
At 1 November 2019	573,563	1,495,881	2,069,444
Charge for the year	305,613	91,236	396,849
At 31 October 2020	879,176	1,587,117	2,466,293
Loss on Impairment			
At 1 November 2019	404,000	6,299,324	6,703,324
Charge for the year	-	-	-
At 31 October 2020	404,000	6,299,324	6,703,324
Carrying amount			
At 31 October 2020	5,271,824	661,457	5,933,281
At 31 October 2019	5,577,437	752,693	6,330,130

Impairment of Thrislington cash-generating unit

The goodwill was impaired by £nil as of 31 October 2020 (2019: £6,299,324). The remaining goodwill in the Thrislington cash-generating unit is £661,457 as of 31 October 2020 (2019: £752,693).

The recoverable amount was determined using a value-in-use calculation which required the use of assumptions. The calculations use cash flow projections based on financial budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate 2.5%. The key assumption in the value-in-use calculation is the sales growth. This was assumed to be 38% in 2021, 5% in 2022-2024.

The tradename was impaired by £nil as of 31 October 2020 (2019: £404,000). The remaining tradename in the Thrislington cash-generating unit is £5,271,824 as of 31 October 2020 (2019: £5,577,437).

The recoverable amount was determined using the relief from royalty method. The calculations used revenue projections based on financial budgets covering 19 years. The key assumptions used are the revenue growth in the UK and royalty due from the US company.

19. Intangible assets - Company

	Tradename	Goodwill	Total
	£	£	£
Cost or valuation			
At 1 November 2019	45,939	-	45,939
Transfers	-	-	-
On disposals	-	-	-
At 31 October 2020	45,939	-	45,939
Amortisation			
At 1 November 2019	17,495	-	17,495
Charge for the year	-	-	-
Transfers	-	-	-
At 31 October 2020	17,495	-	17,495
Carrying amount			
At 31 October 2020	28,444	-	28,444
At 31 October 2019	28,444	-	28,444

20. Called up Share capital – Group and Company

Share capital	2020 Number	£	2019 Number	£
Allotted, called up and fully paid:				
Ordinary shares of £1 (2019: £1) each	100	100	100	100

21. Loans and borrowings – Group and Company

	2020	2019
	£	£
Current loans and borrowings		
Term loan liabilities – Bank	1,800,000	1,800,000
Term loan liabilities – Bobrick Washroom Equipment Company	-	400,901
	1,800,000	2,200,901

	2020	2019
	£	£
Non-current loans and borrowings		
Term loan liabilities – Bank	6,000,000	7,800,000
Term loan – Bobrick Washroom Equipment Company	-	4,764,963
	6,000,000	**12,564,963**

Debt Repayment

Years Ending 31 October,

2021	£ 1,800,000
2022	1,800,000
2023	1,800,000
2024	1,800,000
2025	600,000
	£ 7,800,000

On 24 January 2018, the Company entered into a facility agreement with a financial institution for £12,600,000 for the purposes of acquiring Thrislington Cubicles Limited, collateralized by a first priority debenture in the Company's business assets bearing interest at 3.43% and matures on 3 February 2025. The facility agreement is also guaranteed by the Company's US parent until such time the amount outstanding has been fully extinguished.

On 23 January 2018, the Company entered into a promissory note with Bobrick Washroom Equipment Company for £5,037,783 for the purposes of acquiring Thrislington Cubicles Limited bearing interest at 4.98% and matures on 23 January 2029.

On 13 July 2020, the Company extinguished its outstanding Notes Payable of £5,153,492 due to Bobrick Washroom Equipment Company along with all accrued interest of £655,705.

22. Other financial commitments

Operating leases - Group

Total future minimum lease payment under non-cancellable operating leases:

	2020	2019
	£	£
Falling due:		
Not later than 1 year	150,924	121,000
Later than 1 year and not later than 5 years	598,245	556,000
Later than 5 years	348,750	487,750

Lease Commitments

Bobrick Washroom Equipment entered into an operating lease agreement on 19 September 2019 for office facilities. The contractual term of the lease was for 9 years at a monthly rent of £4,500.

Thrislington Cubicles Limited entered into an operating lease agreement on 31 January 2018 for manufacturing, warehouse and office facilities. The contractual term of the lease was for 10 years at a monthly rent of £7,083.

The company had no other off-balance sheet arrangements.

23. 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 the United States of America. The dircctors consider Mark S Louchheim to be the ultimate controlling party.

24. Presentation currency

The financial statements are presented in Sterling, and amounts are rounded to the nearest pound.

25. Subsequent Events

Other than the on-going impact of the COVID-19 pandemic, there are no subsequent events. It is unclear how the duration of the pandemic and the possibility of further outbreaks will affect the Group's financial performance. The negative impact of COVID-19 has already had on the company, combined with the uncertainty of the global economy, management will need to take measures to be resilient, assess and manage the business for the long term and protect the interest of the stakeholders.