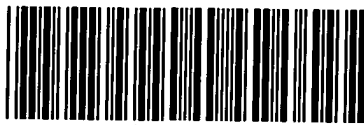


**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 October 2022
for
Bobrick Washroom Equipment Ltd**

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for the year ended 31 October 2022**

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Bobrick Washroom Equipment Ltd

**Company Information
for the year ended 31 October 2022**

DIRECTORS:

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

SECRETARY:

A I Sweibel

REGISTERED OFFICE:

1 Chamberlain Square Cs
Birmingham
B3 3AX

REGISTERED NUMBER:

02848421 (England and Wales)

AUDITORS:

Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Bobrick Washroom Equipment Ltd

Group Strategic Report for the year ended 31 October 2022

The directors present their strategic report of the company and the group for the year ended 31 October 2022.

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 Group's position in the near future. Turnover in 2022 was £7,815,478 (2021: £8,101,071). Net liabilities in 2022 were £24,417,133 (2021: £18,552,520). The Group's loss before tax for the year was £6,031,354 which includes a significant foreign exchange loss principally on retranslation of US dollar denominated intercompany borrowings following the significant weakening of Sterling around the year-end.

The directors aim to present a balance 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 remains confident that continued growth will be achieved with the launch of further aspirational products, the rebranded Commercial and Education brochures 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy is subject to a number of risks. The directors of the Group manage the group's risks at a Group level.

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 compliant with its covenants with a US bank and is in good standing.

Foreign exchange risk

Transactional 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. The Group is also at risk from adverse movements in the US dollar impacting the carrying value of intercompany dollar denominated borrowings when retranslated at month and year end dates.

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.

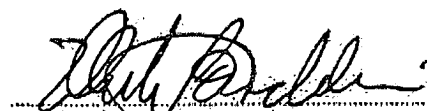
Capital risk management

Expansion of the Thriflington 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.

KEY PERFORMANCE INDICATORS

The Group 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 2022 was £7,815,478 (2021: £8,101,071); gross profit in 2022 was £1,545,772 (2021: £1,782,965); and loss before tax was £6,031,354 (2021: £330,438).

ON BEHALF OF THE BOARD:



M Louchheim, Director.

Date:

17 July 2023

**Report of the Directors
for the year ended 31 October 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31 October 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the distribution of washroom products provided by Bobrick Washroom Equipment, Inc., a company incorporated in the United States of America and the manufacture, selling and installations of cubicles, vanity units and duct access panelling.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2022.

FUTURE DEVELOPMENTS

The principal activities are not anticipated to change in the foreseeable future. The results are in line with the directors' expectations within their control. The Group has not been impacted by the war in Ukraine.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2021 to the date of this report.

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

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 Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

GOING CONCERN

As at 31 October 2022 the group had net liabilities of £24,417,133 (2021: £18,552,520). The Group 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. The directors believe that the Group and Company is expected to continue having significant headroom relative to the funding from the group available.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Bobrick Washroom Equipment Ltd

**Report of the Directors
for the year ended 31 October 2022**

AUDITORS

The auditors, Bennett Brooks & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


M Louchheim - Director.

Date: 17 July 2023

**Report of the Independent Auditors to the Members of
Bobrick Washroom Equipment Ltd**

Opinion

We have audited the financial statements of Bobrick Washroom Equipment Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 Financial Reporting Standard 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 of the parent company affairs as at 31 October 2022 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 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 relating 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 the parent 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Report of the Independent Auditors to the Members of Bobrick Washroom Equipment Ltd

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 parent 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 group or the parent 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 a Report of the Auditors 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.

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 has 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 management 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; and
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Bobrick Washroom Equipment Ltd**

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 a Report of the Auditors 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 (Senior Statutory Auditor)
for and on behalf of Bennett Brooks & Co Limited
Chartered Accountants
& Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Date:

18 July 2023

**Consolidated
Statement of Comprehensive
Income
for the year ended 31 October 2022**

	Notes	2022 £	2021 £
TURNOVER	5	7,815,478	8,101,071
Cost of sales		(6,269,706)	(6,318,106)
GROSS PROFIT		1,545,772	1,782,965
Distribution costs		(1,082,196)	(1,240,866)
Administrative expenses		(2,239,230)	(1,847,717)
		(1,775,654)	(1,305,618)
Other operating (expense)/ income		(4,273,058)	1,009,924
OPERATING LOSS	8	(6,048,712)	(295,694)
Interest receivable and similar income		187,366	203,519
		(5,861,346)	(92,175)
Interest payable and similar expenses	9	(170,008)	(238,263)
LOSS BEFORE TAXATION		(6,031,354)	(330,438)
Tax on loss	10	166,741	-
LOSS FOR THE FINANCIAL YEAR		(5,864,613)	(330,438)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(5,864,613)</u>	<u>(330,438)</u>
Loss attributable to: Owners of the parent		<u>(5,864,613)</u>	<u>(330,438)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(5,864,613)</u>	<u>(330,438)</u>

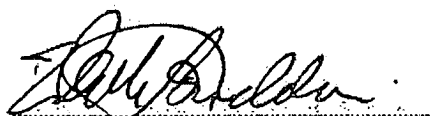
The notes form part of these financial statements

Bobrick Washroom Equipment Ltd (Registered number: 02848421)

**Consolidated Balance Sheet
31 October 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	5,139,583	5,536,432
Tangible assets	13	257,637	311,577
Investments	14	-	-
		<u>5,397,220</u>	<u>5,848,009</u>
CURRENT ASSETS			
Stocks	15	2,171,517	1,722,436
Debtors	16	2,182,984	1,996,545
Restricted cash		20,000	20,000
Cash at bank and in hand		663,173	687,064
		<u>5,037,674</u>	<u>4,426,045</u>
CREDITORS			
Amounts falling due within one year	17	(32,452,027)	(24,578,278)
NET CURRENT LIABILITIES		<u>(27,414,353)</u>	<u>(20,152,233)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(22,017,133)</u>	<u>(14,304,22)</u>
CREDITORS			
Amounts falling due after more than one year	18	(2,400,000)	(4,248,296)
NET LIABILITIES		<u>(24,417,133)</u>	<u>(18,552,520)</u>
CAPITAL AND RESERVES			
Called up share capital	21	100	100
Retained earnings		(24,417,233)	(18,552,620)
SHAREHOLDERS' FUNDS		<u>(24,417,133)</u>	<u>(18,552,520)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17/7/2023 and were signed on its behalf by:


M Louchheim - Director

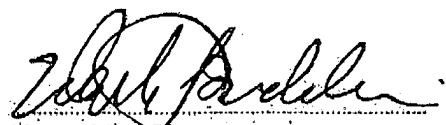
The notes form part of these financial statements

Bobrick Washroom Equipment Ltd (Registered number: 02848421)

**Company Balance Sheet
31 October 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	28,444	28,444
Tangible assets	13	209,344	263,284
Investments	14	3,399,081	3,399,081
		<u>3,636,869</u>	<u>3,690,809</u>
CURRENT ASSETS			
Stocks	15	2,171,517	1,722,436
Debtors	16	2,340,983	2,154,541
Restricted cash		20,000	20,000
Cash at bank and in hand		663,173	687,064
		<u>5,195,673</u>	<u>4,584,041</u>
CREDITORS			
Amounts falling due within one year	17	(35,846,668)	(27,972,919)
NET CURRENT LIABILITIES		<u>(30,650,995)</u>	<u>(23,388,878)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(27,014,126)</u>	<u>(19,698,069)</u>
CREDITORS			
Amounts falling due after more than one year	18	(2,444,638)	(4,292,934)
NET LIABILITIES		<u>(29,458,764)</u>	<u>(23,991,003)</u>
CAPITAL AND RESERVES			
Called up share capital	21	100	100
Retained earnings		(29,458,864)	(23,991,103)
SHAREHOLDERS' FUNDS		<u>(29,458,764)</u>	<u>(23,991,003)</u>
Company's (loss)/profit for the financial year		<u>(5,467,761)</u>	<u>66,447</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17/2/2023 and were signed on its behalf by:


M Louchheim Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the year ended 31 October 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2020	100	(18,222,182)	(18,222,082)
Changes in equity			
Total comprehensive income	-	(330,438)	(330,438)
Balance at 31 October 2021	<u>100</u>	<u>(18,552,620)</u>	<u>(18,552,520)</u>
Changes in equity			
Total comprehensive income	-	(5,864,613)	(5,864,613)
Balance at 31 October 2022	<u>100</u>	<u>(24,417,233)</u>	<u>(24,417,133)</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the year ended 31 October 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2020	100	(24,057,550)	(24,057,450)
Changes in equity			
Total comprehensive income	-	66,447	66,447
Balance at 31 October 2021	<u>100</u>	<u>(23,991,103)</u>	<u>(23,991,003)</u>
Changes in equity			
Total comprehensive income	-	(5,467,761)	(5,467,761)
Balance at 31 October 2022	<u>100</u>	<u>(29,458,864)</u>	<u>(29,458,764)</u>

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the year ended 31 October 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	2,074,308	2,378,153
Interest paid		(170,008)	(240,868)
Net cash from operating activities		<u>1,904,300</u>	<u>2,137,285</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(132,018)	(76,963)
Sale of tangible fixed assets		3,666	27,315
Interest received		161	-
Net cash from investing activities		<u>(128,191)</u>	<u>(49,648)</u>
Cash flows from financing activities			
Loan repayments in year		(1,800,000)	(1,800,000)
Net cash from financing activities		<u>(1,800,000)</u>	<u>(1,800,000)</u>
(Decrease)/increase in cash and cash equivalents		(23,891)	287,637
Cash and cash equivalents at beginning of year	2	687,064	399,427
Cash and cash equivalents at end of year	2	<u><u>663,173</u></u>	<u><u>687,064</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 31 October 2022

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Loss before taxation	(6,031,354)	(330,438)
Depreciation charges	579,140	578,107
Loss on disposal of fixed assets	-	861
Movement in allowance for doubtful debt	209,060	(7,100)
Finance costs	170,008	238,263
Finance income	(187,366)	(203,519)
	<u>(5,260,512)</u>	<u>276,174</u>
(Increase)/decrease in stocks	(449,081)	148,657
(Increase)/decrease in trade and other debtors	(208,294)	372,659
Increase in trade and other creditors	<u>7,992,195</u>	<u>1,580,663</u>
Cash generated from operations	<u><u>2,074,308</u></u>	<u><u>2,378,153</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 October 2022

	31.10.22	1.11.21
	£	£
Cash and cash equivalents	<u>663,173</u>	<u>687,064</u>

Year ended 31 October 2021

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	<u>687,064</u>	<u>399,427</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.21	Cash flow	At 31.10.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>687,064</u>	<u>(23,891)</u>	<u>663,173</u>
	<u>687,064</u>	<u>(23,891)</u>	<u>663,173</u>
Debt			
Debts falling due within 1 year	<u>(1,800,000)</u>	<u>-</u>	<u>(1,800,000)</u>
Debts falling due after 1 year	<u>(4,200,000)</u>	<u>1,800,000</u>	<u>(2,400,000)</u>
	<u>(6,000,000)</u>	<u>1,800,000</u>	<u>(4,200,000)</u>
Total	<u><u>(5,312,936)</u></u>	<u><u>1,776,109</u></u>	<u><u>(3,536,827)</u></u>

Notes to the Consolidated Financial Statements
for the year ended 31 October 2022

1. GENERAL INFORMATION

The principal activity of the Group is the distribution of washroom products provided by Bobrick Washroom Equipment, Inc., a company incorporated in the United States of America and the manufacture, sale and installation of cubicles, vanity units and duct access panelling under the Thrislington brand name.

2. STATUTORY INFORMATION

Bobrick Washroom Equipment Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. STATEMENT OF COMPLIANCE

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

4. ACCOUNTING POLICIES

Basis of preparing the 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 5.

The financial statements are presented in sterling and amounts are rounded to the nearest £1.

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.

Significant judgements and estimates

The preparation of the financial statements 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 recognised in the period in which the estimates are revised and any future periods affected. The estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities when the next financial year are addressed below:

i. Recoverable amount of Thrislington cash-generating unit (note 12)

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 12 for details of the key assumption and sensitivity analysis.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

4. ACCOUNTING POLICIES - continued

Going concern

As at 31 October 2022 the group had net liabilities of £24,417,133 (2021: £18,552,520). The group 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 the this, the directors consider it is appropriate to prepared the financial statements on a going concern basis.

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 risks and rewards of ownership has transferred to customer which is when products are dispatched.

Turnover from the rendering of services is recognised 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.

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.

Tradenname relates to the "Thrislington" tradenname which has developed a reputation through high end products and reliability. The tradenname has allowed the company to keep its' existing customer and gain 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.

Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets 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

Assets in the course of construction are depreciated when they are complete and available for use.

Stocks

Stocks 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.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

4. ACCOUNTING POLICIES - continued

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 a 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 a 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 payables 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.

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 evaluated 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 to be paid to the tax authorities.

There is no tax payable or receivable at 31 October 2022 or 31 October 2021.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

4. ACCOUNTING POLICIES - continued

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.

Foreign currencies

The group'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 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 income/expense'.

Operating leased assets

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

Pensions

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

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 at 31 October 2022 (2021: £20,000) related to outstanding arrangements with the bank.

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.

Derivatives instruments

The Group has interest rate related derivative instruments to manage its exposure relative to its debt instruments. During fiscal year 2019 the group 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.

The interest rate swap is a derivative instrument and measured at transaction price on inception and subsequently at fair value, with movements in the fair value presented in the Statement of Comprehensive Income.

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022**

5. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	3,956,392	3,332,060
Europe	1,638,600	2,015,828
North America	1,927,305	2,156,685
Rest of the world	293,181	596,498
	<u>7,815,478</u>	<u>8,101,071</u>

6. EMPLOYEES AND DIRECTORS

Average number of employees during the year:

	2022	2021
	No.	No.
Administration	19	17
Distribution	15	16
Manufacturing	16	17
Sales	12	13
	<u>62</u>	<u>63</u>

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	2,429,906	2,366,027	2,429,906	2,366,027
Social security costs	269,908	228,543	269,908	228,543
Other pension costs	116,233	120,718	116,233	120,718
	<u>2,816,047</u>	<u>2,715,288</u>	<u>2,816,047</u>	<u>2,715,288</u>

7. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Emoluments	139,000	162,159
Company contributions to defined contribution pension plans	12,500	11,683
	<u>151,500</u>	<u>173,842</u>

The number of directors to whom relevant benefits are accruing under:

	2022	2021
	No.	No.
Defined contribution plans	1	1

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

8. OPERATING LOSS

The operating loss is stated after charging:

	2022	2021
	£	£
Operating leases - buildings	153,626	139,148
Depreciation - owned assets	182,292	181,258
Goodwill amortisation	91,236	91,236
Tradename amortisation	305,613	305,613
Foreign exchange (gain)/loss	4,245,835	(1,073,665)
Auditors remuneration - audit	29,000	30,000
Auditors remuneration - accounting	2,500	2,500
	<u> </u>	<u> </u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	170,008	238,263
	<u> </u>	<u> </u>

10. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	(166,741)	-
	<u> </u>	<u> </u>
Tax on loss	(166,741)	-
	<u> </u>	<u> </u>

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Loss before tax	(6,031,354)	(330,438)
	<u> </u>	<u> </u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,145,957)	(62,783)
Effects of:		
Expenses not deductible for tax purposes	-	75,401
Adjustments to tax charge in respect of previous periods	(166,741)	-
Losses not recognised	1,145,957	(12,618)
	<u> </u>	<u> </u>
Total tax credit	(166,741)	-
	<u> </u>	<u> </u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This change was substantively enacted on 24 May 2021 and its effects are 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 laws used to compute the amount are those that are enacted or substantively enacted by the Balance Sheet date. As the deferred taxes of the Group are not expected to reverse within the next year, they have been measured at the substantively enacted tax rate of 25%.

The deferred tax asset £3,628,037 (2021: £2,208,839) is not recognised due to the uncertainty regarding the recoverability of the asset as the Group has generated little to no profits since inception.

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

11. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

12. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Tradename £	Totals £
COST			
At 1 November 2021 and 31 October 2022	8,547,898	6,555,000	15,102,898
AMORTISATION			
At 1 November 2021	7,977,677	1,588,789	9,566,466
Amortisation for year	91,236	305,613	396,849
At 31 October 2022	8,068,913	1,894,402	9,963,315
NET BOOK VALUE			
At 31 October 2022	478,985	4,660,598	5,139,583
At 31 October 2021	570,221	4,966,211	5,536,432

Impairment of Thrislington cash-generating unit

The goodwill was impaired by £nil during the year ended 31 October 2022 (2021: £nil). The remaining goodwill in the Thrislington cash-generating unit is £478,985 as of 31 October 2022 (2021: £570,221).

The recoverable amount was determined using a value-in-use calculation which required the use of assumptions. The calculations used 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 of 2.5%. The key assumptions in the value-in-use calculation is the sales growth. This was assumed to be 13% in 2023 and 17% in 2024.

The tradename was impaired by £nil during the year ended 31 October 2022 (2021: £nil). The remaining tradename in the Thrislington cash-generating unit is £4,660,598 (2021: £4,966,211).

The recoverable amount was determined using the relief from royalty method. The calculations used revenue projections based on financial budgets covering 18 years. The key assumptions used are the revenue growth in the UK and royalty due from the US company.

Company	Tradename £
COST	
At 1 November 2021 and 31 October 2022	45,939
AMORTISATION	
At 1 November 2021 and 31 October 2022	17,495
NET BOOK VALUE	
At 31 October 2022	28,444
At 31 October 2021	28,444

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

13. TANGIBLE FIXED ASSETS

Group

	Assets under course of construction £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 November 2021	-	486,622	357,406	844,028
Additions	24,599	107,419	-	132,018
Disposals	-	-	(21,999)	(21,999)
At 31 October 2022	<u>24,599</u>	<u>594,041</u>	<u>335,407</u>	<u>954,047</u>
DEPRECIATION				
At 1 November 2021	-	252,571	279,880	532,451
Charge for year	-	108,432	73,860	182,292
Eliminated on disposal	-	-	(18,333)	(18,333)
At 31 October 2022	<u>-</u>	<u>361,003</u>	<u>335,407</u>	<u>696,410</u>
NET BOOK VALUE				
At 31 October 2022	<u>24,599</u>	<u>233,038</u>	<u>-</u>	<u>257,637</u>
At 31 October 2021	<u>-</u>	<u>234,051</u>	<u>77,526</u>	<u>311,577</u>

Company

	Assets under course of construction £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 November 2021	-	365,887	450,141	816,028
Additions	24,599	107,419	-	132,018
Disposals	-	-	(21,999)	(21,999)
At 31 October 2022	<u>24,599</u>	<u>473,306</u>	<u>428,142</u>	<u>926,047</u>
DEPRECIATION				
At 1 November 2021	-	243,792	308,952	552,744
Charge for year	-	108,432	73,860	182,292
Eliminated on disposal	-	-	(18,333)	(18,333)
At 31 October 2022	<u>-</u>	<u>352,224</u>	<u>364,479</u>	<u>716,703</u>
NET BOOK VALUE				
At 31 October 2022	<u>24,599</u>	<u>121,082</u>	<u>63,663</u>	<u>209,344</u>
At 31 October 2021	<u>-</u>	<u>122,095</u>	<u>141,189</u>	<u>263,284</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022

14. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 November 2021
and 31 October 2022

3,399,081

NET BOOK VALUE

At 31 October 2022

3,399,081

At 31 October 2021

3,399,081

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Thrislington Cubicles Limited

Registered office: 1 Chamberlain Square CS, Birmingham, B3 3AX

Nature of business: Dormant

Class of shares:

Ordinary

%
holding
100.00

2022
£

2021
£

Aggregate capital and reserves

3,399,082

3,399,082

15. STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials	1,193,746	997,895	1,193,746	997,895
Work-in-progress	99,458	45,698	99,458	45,698
Finished goods	878,313	678,843	878,313	678,843
	<u>2,171,517</u>	<u>1,722,436</u>	<u>2,171,517</u>	<u>1,722,436</u>

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

The amount of inventory recognised as an expense during the year was £4,305,362 (2021: £3,514,401) for the Group and Company.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	1,768,147	1,725,995	1,786,037	1,743,885
Other debtors	289,547	186,341	289,547	186,341
Prepayments	125,290	84,209	265,399	224,315
	<u>2,182,984</u>	<u>1,996,545</u>	<u>2,340,983</u>	<u>2,154,541</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 19)	1,800,000	1,800,000	1,800,000	1,800,000
Trade creditors	1,714,111	1,120,785	1,714,111	1,120,785
Tax	-	166,741	-	166,741
Social security & other taxes	43,526	43,403	43,526	43,403
Other creditors	14,567	15,487	14,567	15,487
Due to group undertakings	28,602,523	21,144,376	32,001,605	24,543,458
Accruals & deferred income	277,300	287,486	272,859	283,045
	<u>32,452,027</u>	<u>24,578,278</u>	<u>35,846,668</u>	<u>27,972,919</u>

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

Bank loans are guaranteed by Bobrick Washroom Equipment, Inc.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 19)	2,400,000	4,200,000	2,400,000	4,200,000
Accruals & deferred income	-	48,296	44,638	92,934
	<u>2,400,000</u>	<u>4,248,296</u>	<u>2,444,638</u>	<u>4,292,934</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>600,000</u>	<u>2,400,000</u>	<u>600,000</u>	<u>2,400,000</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022**

19. LOANS - continued

Debt repayment:

	£
2023	1,800,000
2024	1,800,000
2025	600,000
	<u>4,200,000</u>

On 24 January 2018, the Group 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 group's business assets bearing interest at 3.43% and matures on 3 February 2025.

The facility agreement is also guaranteed by the Group's US parent until such time the amount outstanding has been fully extinguished.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	2022	Non-cancellable operating leases 2021
	£	£
Within one year	138,996	147,233
Between one and five years	555,984	724,998
In more than five years	70,749	278,000
	<u>765,729</u>	<u>1,150,231</u>

Bobrick Washroom Equipment entered into a 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 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 year at a monthly rent of £7,083.

The Group has no other off-balance sheet arrangements.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

22. PENSION COMMITMENTS

The Group contributes to employee's personal pension plans whose assets are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the company and amounted to £116,233 (2021: £120,718). Included in other creditors are contributions of £14,567 payable to the plans at the year end (2021: £14,605).

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 October 2022**

23. ULTIMATE PARENT COMPANY

The Bobrick Corporation (incorporated in United States of America) is regarded by the directors as being the company's ultimate parent company.

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