Company Registration No. 06901921 (England and Wales)

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BATHROOM BRANDS HOLDINGS UK LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

BATHROOM BRANDS HOLDINGS UK LIMITED

COMPANY INFORMATION

Directors	D P Riley D R Hance T P Powell C Chaplin (Chairman) M Coughlin
Secretary	T P Powell
Company number	06901921
Registered office	Lake View House Rennie Drive Dartford Kent United Kingdom DA1 5FU
Auditors	H W Fisher & Company Acre House 11-15 William Road London United Kingdom NW1 3ER

BATHROOM BRANDS HOLDINGS UK LIMITED

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BATHROOM BRANDS HOLDINGS UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Results and dividends

The results for the year are set out on page 5.

During the year the Bathroom Brands Group was restructured. As part of this restructuring process Bathroom Brands Holdings UK Limited, (BBHUK), purchased 100% of the shareholding in Bathroom Brands (UK) Limited, Bathroom Brands (Singapore) PTE Limited, ASAQ Trading (HK) Limited, Bathroom Sourcing Co Limited, and Bathroom Brands IT d.o.o. BBHUK also purchased 33.33% of the shareholding in Reworks BV. The total value of the purchase of these subsidiaries amounted to £11,374K. A full listing of the subsidiaries can be found in note 20.

No dividends were paid during the year.

Directors

The directors who served throughout the year were as follows:

D P Riley
D R Hance
T P Powell
C Chaplin (Chairman)
M Coughlin

Auditors

The auditors, H W Fisher & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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 of the profit or loss of the company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditors

Each director in office at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

T P Powell

Director

30/05/17

BATHROOM BRANDS HOLDINGS UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BATHROOM BRANDS HOLDINGS UK LIMITED

We have audited the financial statements of Bathroom Brands Holdings UK Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement Of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 auditor's 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.

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

Matters on which we are required to report by exception

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 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.

Navinchandra Thaker (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

30 May 2017

Chartered Accountants
Statutory Auditor

Acre House
11-15 William Road
London
United Kingdom
NW1 3ER

BATHROOM BRANDS HOLDINGS UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Administrative expenses		(1,252)	(64)
Exceptional items	2	(613)	-
Operating loss	3	(1,865)	(64)
Investment income	6	-	14,500
(Loss)/profit before taxation		(1,865)	14,436
Tax on (loss)/profit on ordinary activities	7	17	-
(Loss)/profit for the financial year	17	(1,848)	14,436

The income statement has been prepared on the basis that all operations are continuing operations.

BATHROOM BRANDS HOLDINGS UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Investments	9	11,784	50
Current assets			
Deferred tax asset	12	17	-
Other receivables	10	16,368	15,836
Cash at bank and in hand		30	2
		16,415	15,838
Creditors: amounts falling due within one year			
Trade creditors and other payables	11	15,019	10,500
Taxation and social security		63	-
		15,082	10,500
Net current assets		1,333	5,338
Total assets less current liabilities		13,117	5,388
Net assets		13,117	5,388
Capital and reserves			
Called up share capital	14	145	50
Share premium account	15	9,621	139
Capital redemption reserve	16	3	3
Profit and loss account	17	3,348	5,196
Total equity		13,117	5,388

The financial statements were approved by the Board of directors and authorised for issue on 30/05/17
Signed on its behalf by:

T P Powell
Director

Company Registration No. 06901921

BATHROOM BRANDS HOLDINGS UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2015	50	139	3	1,260	1,452
Profit for the year	-	-	-	14,436	14,436
Total comprehensive income for the period	-	-	-	14,436	14,436
Dividends	-	-	-	(10,500)	(10,500)
Balance at 31 December 2015	50	139	3	5,196	5,388
Loss for the year	-	-	-	(1,848)	(1,848)
Total comprehensive income for the period	-	-	-	(1,848)	(1,848)
Issue of share capital	95	9,482	-	-	9,577
Balance at 31 December 2016	145	9,621	3	3,348	13,117

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

Where required, equivalent disclosures are given in the group accounts of Bathroom Brands Group Limited. The group accounts of Bathroom Brands Group Limited are available to the public and can be obtained as set out in note 18.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

1 **Accounting policies** **(Continued)**

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through the profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.6 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Exceptional items

	2016	2015
	£000	£000
Exceptional Transaction Costs	613	-

The exceptional costs relate to group reorganisation costs as detailed in the directors' report.

3 Loss for the year

	2016	2015
	£000	£000
Loss for the year is stated after charging/(crediting):		
Net foreign exchange losses/(gains)	5	-
Staff costs	1,170	-

4 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2016 £000	2015 £000
Fees payable to the company's auditors for the audit of the company's annual accounts	10	10

5 Employees

Their aggregate remuneration comprised:

Employment costs	2016 £000	2015 £000
Wages and salaries	1,013	-
Social security costs	135	-
Pension costs	22	-
	1,170	-

The payroll charge for 2016 represents the 9 month period to 31 December 2016, the payroll was previously from another group company.

6 Investment income

	2016 £000	2015 £000
Dividends received	-	14,500
	-	14,500

7 Income tax expense

	Continuing operations	
	2016 £000	2015 £000
Deferred tax		
Origination and reversal of temporary differences	(17)	-

(Continued)

7 Income tax expense

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2016 £000	2015 £000
(Loss)/profit before taxation on continued operations	(1,865)	14,436
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 - 20.25%)	(373)	2,923
Taxation impact of factors affecting tax charge:		
Expenses not deductible in determining taxable profit	59	13
Effect of change in UK corporation tax rate	3	-
Group relief	294	-
Intra-group dividends	-	(2,936)
Total adjustments	356	(2,923)
Tax charge for the year	(17)	-

8 Dividends

	2016 per share	2015 per share	2016 £000	2015 £000
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Final dividend paid	-	0.21	-	10,500

9 Investments

	Current		Non-current	
	2016 £000	2015 £000	2016 £000	2015 £000
Investments in subsidiaries	-	-	11,784	50

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

9 Investments (Continued)

Movements in non-current investments

	Shares £000
Cost or valuation	
At 1 January 2016	162
Additions	11,734
At 31 December 2016	11,896
Impairment	
At 1 January 2015 & 31 December 2015	(112)
At 31 December 2016	(112)
Carrying amount	
At 31 December 2016	11,784
At 31 December 2015	50

10 Trade and other receivables

	2016 £000	2015 £000
Other receivables	110	-
Corporation tax recoverable	-	1
Amounts due from fellow group undertakings	16,258	15,835
	16,368	15,836

11 Trade and other payables

	Current	
	2016 £000	2015 £000
Amounts due to fellow group undertakings	14,742	-
Dividends payable	-	10,500
Accruals	277	-
	15,019	10,500

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Short term timing differences £000
Deferred tax liability at 1 January 2015 and 1 January 2016	-
Deferred tax movements in current year	
Credit to profit or loss	(17)
Deferred tax asset at 31 December 2016	(17)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2016 £000	2015 £000
Deferred tax assets	(17)	-

13 Retirement benefit schemes

Defined contribution schemes

The total costs charged to income in respect of defined contribution plans is £22k (2015: nil).

14 Share capital

	2016 £000	2015 £000
Ordinary share capital		
Issued and fully paid		
14,544,139 Ordinary shares of 1p each	145	47
Ordinary B shares of 1p each	-	3
	145	50

On 3rd May 2016 9,576,739 ordinary shares of 1p each were allotted for a consideration of £9,576,739.

15 Share premium account

	£000
At 1 January 2015	139
At 31 December 2015	139
Issue of new shares	9,482
At 31 December 2016	9,621

16 Capital redemption reserve

	£000
At 1 January 2015	3
At 31 December 2015 & at 31 December 2016	3

17 Retained earnings

	£000
At 1 January 2015	1,260
Profit for the year	14,436
Dividends	(10,500)
At 31 December 2015	5,196
Loss for the year	(1,848)
At 31 December 2016	3,348

18 Controlling party

The parent company is Bathroom Brands Group Limited, a company incorporated in the United Kingdom.

The consolidated financial statements of Bathroom Brands Group Limited are available to the public and can be obtained from Companies House.

19 *Directors' remuneration*

	2016 £000	2015 £000
Remuneration for qualifying services	601	-
Company pension contributions to defined contribution schemes	22	-
	623	-

20 Subsidiaries

These financial statements are separate company financial statements for Bathroom Brands Holdings UK Limited.

Details of the company's subsidiaries at 31 December 2016 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Bathroom Brands IT d.o.o.	Croatia	100.00%	100.00%	IT support
Bathroom Brands US LLC	US	100.00%	100.00%	Supply and import of bathroom products to the US
Bathroom Sourcing Co Limited	Hong Kong	100.00%	100.00%	Supply and import of bathroom products
ASAQ Trading (HK) Limited	Hong Kong	100.00%	100.00%	Quality control services for the group
Bathroom Brands (Singapore) PTE Limited	Singapore	100.00%	100.00%	Supply and import of bathroom products
Bathroom Brands (UK) Limited	United Kingdom	100.00%	100.00%	Dormant
Crosswater Holdings Limited	United Kingdom	100.00%	100.00%	Holding company