Company Registration No. 06901921 (England and Wales)

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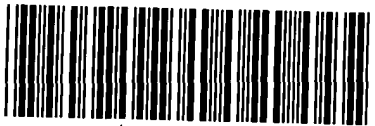


BATHROOM BRANDS HOLDINGS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

MONDAY



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COMPANIES HOUSE

BATHROOM BRANDS HOLDINGS UK LIMITED

COMPANY INFORMATION

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

BATHROOM BRANDS HOLDINGS UK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Income statement	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 16

BATHROOM BRANDS HOLDINGS UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

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

Effective 31 March 2017, the Company made a non-cash contribution of capital to Bathroom Brands US LLC totalling £9.8m.

Following a group reorganisation in late 2017, two subsidiary companies were transferred to BBHUK. Details of the Company's subsidiaries are set out in note 20 to the financial statements.

The investment in associate was disposed of by the Company on 13 July 2017.

Interim dividends were paid amounting to £7m.

Directors
The directors who served throughout the year were as follows:

C Chaplin
M Coughlin (Resigned 13 April 2018)
D R Hance
T P Powell
D P Riley

Auditor
The auditor, 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.

Statement of disclosure to auditor

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 auditor is 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 auditor is 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
Date: 5th June 2018

BATHROOM BRANDS HOLDINGS UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BATHROOM BRANDS HOLDINGS UK LIMITED

Opinion

We have audited the financial statements of Bathroom Brands Holdings UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, the Statement Of Financial Position, the Statement of Changes in Equity and 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is 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 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.

Auditor's 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 auditor's 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.

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

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

5/6/18

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 2017

	Notes	2017 £000	2016 £000
Administrative expenses		(2,704)	(1,252)
Exceptional items	2	-	(613)
Operating loss	3	(2,704)	(1,865)
Investment income	6	2,880	-
Other gains and losses	7	4,209	-
Profit/(loss) before taxation		4,385	(1,865)
Tax on profit/(loss) on ordinary activities	8	(17)	17
Profit/(loss) for the financial year	18	4,368	(1,848)

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 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Intangible assets - goodwill	**10**	11,804	-
Investments	**11**	19,928	11,784
		31,732	11,784
Current assets			
Deferred tax asset		-	17
Other receivables	**12**	17,686	16,368
Cash and cash equivalents		213	30
		17,899	16,415
Current liabilities			
Trade and other payables	**13**	39,146	15,019
Taxation and social security		-	63
		39,146	15,082
Net current (liabilities)/assets		(21,247)	1,333
Total assets less current liabilities		10,485	13,117
Net assets		10,485	13,117
Equity			
Called up share capital	**14**	145	145
Share premium account	**16**	9,621	9,621
Capital redemption reserve	**17**	3	3
Retained earnings	**18**	716	3,348
Total equity		10,485	13,117

The financial statements were approved by the board of directors and authorised for issue on 26/18 and are 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 2017

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2016		50	139	3	5,196	5,388
Year ended 31 December 2016:						
Loss and total comprehensive income for the year		-	-	-	(1,848)	(1,848)
Issue of share capital	**14**	95	9,482	-	-	9,577
Balance at 31 December 2016		145	9,621	3	3,348	13,117
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	-	-	4,368	4,368
Dividends	**9**	-	-	-	(7,000)	(7,000)
Balance at 31 December 2017		145	9,621	3	716	10,485

1 Accounting policies

Company information

Bathroom Brands Holdings UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lake View House, Rennie Drive, Dartford, Kent, United Kingdom, DA1 5FU.

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 Limited. The Group accounts of Bathroom Brands Limited are available to the public and can be obtained as set out in note 19.

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 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is subsequently reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.4 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 Accounting policies **(Continued)**

1.5 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.

1.6 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.

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.

1.7 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.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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

1.11 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 costs

	2017	2016
	£000	£000
Exceptional costs	-	613

The 2016 exceptional costs relate to a group reorganisation cost in the prior year.

3 Operating loss

	2017	2016
	£000	£000
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	46	5
Fees payable to the company's auditor for the audit of the company's financial statements	10	10

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
	12	9

Their aggregate remuneration comprised:

	2017 £000	2016 £000
Wages and salaries	1,868	1,013
Social security costs	236	135
Pension costs	32	22
	2,136	1,170

5 Directors' remuneration

	2017 £000	2016 £000
Remuneration for qualifying services	891	601
Company pension contributions to defined contribution schemes	18	22
	909	623

6 Investment income

	2017 £000	2016 £000
Dividends received	2,880	-

7 Other gains and losses

	2017 £000	2016 £000
Gain on disposal of investment in associate	4,209	-

The investment in associate was disposed by the Company on 13 July 2017 for consideration of £6,000,000.

8 Income tax expense

	2017 £000	2016 £000
Deferred tax		
Origination and reversal of temporary differences	17	(17)

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

	2017 £000	2016 £000
Profit/(loss) before taxation	4,385	(1,865)
Expected tax charge/(credit) based on a corporation tax rate of 19.25%	844	(373)
Effect of expenses not deductible in determining taxable profit	-	59
Income not taxable	(810)	-
Adjustment in respect of prior years	17	-
Effect of change in UK corporation tax rate	-	3
Group relief	355	294
Intra-group dividends	(554)	-
Rolled over gains	165	-
Taxation charge/(credit) for the year	17	(17)

9 Dividends

	2017 £000	2016 £000
Amounts recognised as distributions to equity holders:		
Ordinary shares		
Interim dividend paid	7,000	-

10 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2016	-
Additions	11,804
At 31 December 2017	11,804
Carrying amount	
At 31 December 2017	11,804
At 31 December 2016	-

11 Investments

	Current		Non-current	
	2017	2016	2017	2016
	£000	£000	£000	£000
Investments in subsidiaries	-	-	19,928	11,784

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.

Movements in non-current investments

	Shares
	£000
Cost or valuation	
At 31 December 2017	11,896
Additions	9,935
Disposals	(1,791)
At 31 December 2017	20,040
Impairment	
At 1 January 2016 & 31 December 2016	(112)
At 31 December 2017	(112)
Carrying amount	
At 31 December 2017	19,928
At 31 December 2016	11,784

12 Trade and other receivables

	2017	2016
	£000	£000
Other receivables	21	110
Amounts due from fellow group undertakings	17,665	16,258
	17,686	16,368

13 Trade and other payables

	Current	
	2017	**2016**
	£000	**£000**
Amounts due to fellow group undertakings	38,532	14,742
Accruals	614	277
	39,146	15,019

14 Share capital

	2017	**2016**
	£000	**£000**
Ordinary share capital		
Issued and fully paid		
14,544,139 Ordinary shares of 1p each	145	145
	145	145

15 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £32k (2016: £22k).

16 Share premium account

	2017	**2016**
	£000	**£000**
At 1 January 2017	9,621	139
Issue of new shares	-	9,482
At 31 December 2017	9,621	9,621

17 Capital redemption reserve

	£000
At 31 December 2016 & at 31 December 2017	3

18 Retained earnings

	2017 £000	2016 £000
At 1 January 2017	3,348	5,196
Profit/ (loss) for the year	4,368	(1,848)
Dividends	(7,000)	-
At 31 December 2017	716	3,348

19 Controlling party

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

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

20 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Bathroom Sourcing Co Limited	Hong Kong	100.00	100.00	Supply and import of Bathroom products
Crosswater Limited	UK	100.00	100.00	Supply and import of Bathroom products
*Adora Bathrooms Limited	UK	100.00	100.00	Dormant
Crosswater Holdings Limited	UK	100.00	100.00	Dormant
Bathroom Brands (UK) Limited	UK	100.00	100.00	Dormant (Dissolved 27/03/2018)
Bauhaus Industries Limited	UK	100.00	100.00	Dormant
Cintep Development Limited	UK	75.50	75.50	Dormant
River Limited	Malta	100.00	100.00	Dormant (in liquidation)
**Lake Limited	Malta	100.00	100.00	Dormant (in liquidation)
Bathroom Brands (Asia) PTE. Limited	Singapore	100.00	100.00	Supply and import of Bathroom products
Bathroom Brands US LLC	US	100.00	100.00	Supply and import of Bathroom products
Bathroom Brands IT d.o.o	Croatia	100.00	100.00	IT Support
ASAQ Trading (HK) Limited	Hong Kong	100.00	100.00	Quality control services for the group

All subsidiaries are held by Bathroom Brands Holdings UK Limited unless asterisked.

*This subsidiary is held by Crosswater Limited.

**This subsidiary is held by River Limited.

Registered address of all the UK Companies is Lake View House, Rennie Drive, Dartford, Kent, DA1 5FU.

Registered address of Bathroom Brands (Asia) Pte. Limited is 435 Orchard Road, 16-01 Wisma Atria, Singapore 238877.

Registered address of Bathroom Brands US, LLC is 393 Fortune Boulevard, Milford, MA 01757.

Registered address of River Limited and Lake Limited is Level 3, Valletta Buildings, South Street, Valletta, VLT 1103, Malta.

Registered address of Bathroom Brands IT d.o.o is Zagreb, Plehanov put 16.

Registered address of ASAQ Trading (HK) Limited and Bathroom Sourcing Co Limited is Wilson House 1001-2, 19 Wyndham Street, Central, Hong Kong.