

Registered number: 01318148

BRISTAN GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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BRISTAN GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	S Ooi (appointed 31 December 2021, resigned 22 June 2022) M Mongan (appointed 1 February 2021) K Ellis (resigned 31 December 2021) R Zondervan (appointed 28 June 2022)
COMPANY SECRETARY	Pinsent Masons Secretarial Limited
REGISTERED NUMBER	01318148
REGISTERED OFFICE	1 Park Row Leeds West Yorkshire England LS1 5AB
TRADING ADDRESS	Birch Coppice Business Park Dordon Tamworth Staffs B78 1SG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham West Midlands B3 3AX
BANKERS	HSBC Bank PLC 60 Queen Victoria Street London EC4N 4TR
SOLICITORS	Pinsent Masons LLP 3 Colmore Circus Birmingham B4 6BH

BRISTAN GROUP LIMITED

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BRISTAN GROUP LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

INTRODUCTION

The principal activity of the company during the year was the design, sourcing, marketing and sale of bathroom equipment.

BUSINESS REVIEW

The company's sales increased by 17.9% from £66.4m in 2020 to £78.3m in 2021 as trading conditions improved following the disruption in 2020 caused by the UK government's lockdowns in response to the COVID-19 pandemic. The company has also targeted the online and DIY markets that have shown resilience during the pandemic period and have continued to show growth during 2021. Whilst sales increased by 17.9%, cost of sales only increased by 9.6%, as the company benefited from a £1.9m favourable currency movement compared to 2020. The company's distribution costs increased by 17.8%, in line with the sales growth, and administration costs increased by 11.0% from £21.2m in 2020 to £23.4m in 2021 as the company reinvested in additional headcount and marketing to service the post COVID-19 economic recovery, increasing the overall operating profit of the company by £4.4m.

At the end of the year, the company had net current assets of £48.4m compared to £50.9m in 2020. The reduction of £2.5m was after the payment of a £15m dividend to the company's parent, Masco Corporation Limited. The company continues to generate a strong cash flow and manage its working capital effectively.

BRISTAN GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to a number of potential risks and uncertainties which could have a material impact on the company's performance. The key risks which the company believes it is exposed to are as follows:

Loss of key customers

Whilst the company has a diverse customer base, there are a few key customers that account for a relatively high proportion of the company's turnover but no one customer accounts for more than 12% of revenue. The loss of one of these customers would have a financial impact on the company's results, therefore, the company has mitigated this risk by establishing long term relationships with its key customers. These relationships are strengthened through a focus on providing exceptional levels of customer service, comprehensive and reliable after sales support, and attractive products that are designed to meet the needs of the end user.

Loss of key manufacturing partner

The company uses a number of key manufacturing partners and the failure of a key manufacturing partner could lead to a temporary shortage of certain products. The company mitigates this risk by carrying out supplier audits and establishing long term relationships with key manufacturing partners. The company also holds appropriate levels of safety stock and retains ownership of product tooling so product could be moved to a new manufacturing partner if required.

Market changes

The company operates in a competitive environment and is dependent on the level of building activity and the amount of repair, maintenance and improvement expenditure in the public and private sectors. If market conditions worsened then the demand for our products would reduce and have an adverse effect on our profitability. The company also has a strong net asset position that can be utilised to finance any future reorganisations.

Financial risks

The company is exposed to a variety of financial risks, including the effect of changes of credit, commodity prices, currency and interest rates. As a result, the company has in place a risk management programme that monitors these risks, in order to limit their adverse effects on the financial performance of the company.

COVID-19

The outbreak of COVID-19 and the subsequent UK government lockdowns had a major impact on the company's trading during 2020 and 2021 as the majority of the company's sales are in the UK. However, the directors have taken appropriate counter measures to manage this risk and remain profitable in 2020 and 2021.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board of directors. The policies set by the board are implemented by the company's finance department.

KEY PERFORMANCE INDICATORS

The key financial and other performance indicators during the year were as follows:

BRISTAN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

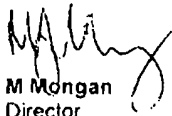
	2021 £'000	2020 £'000	Change £'000
Turnover	78,260	66,287	11,873
Gross profit	38,553	30,164	8,389
Operating profit	12,320	7,926	4,394
Return on capital employed	21.4%	13.7%	7.7% pts

The company's turnover increased by 17.9% in 2021 due to economic conditions improving following the easing of COVID-19 restrictions introduced by the UK government during 2020 and from sales growth in the targeted online and DIY markets.

Gross profit increased by £8.4m (28%) mainly driven by the £11.9m increase in sales and the £1.9m favourable currency movement on the company's USD forward contracts. Adjusting for the favourable and adverse currency costs in 2021 and 2020, the gross profit % would be 47.4% and 46.1% respectively, so there was an underlying increase in gross profit arising from cost saving initiatives during 2021.

Return on capital employed ('ROCE') is operating profit expressed as a percentage of net assets. The ROCE increased to 21.4% in 2021 from 13.7% in 2020 and is a result of improved gross profit % partly due to more favourable currency movement and controlling administrative cost increases through cost saving initiatives.

This report was approved by the board on July 20, 2022 and signed on its behalf.


M Mongan
Director

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

The directors present their report and the audited financial statements for the year ended December 31, 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £10,931,203 (2020 - £7,615,597).

The directors do not recommend that a final dividend is paid (2020 - £nil).

On 16 November 2021, the directors approved a distribution of £15 million to Masco Corporation Limited, the company's sole shareholder.

DIRECTORS

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

S Ooi (appointed 31 December 2021, resigned 22 June 2022)

M Mongan (appointed 1 February 2021)

K Ellis (resigned 31 December 2021)

R Zondervan (appointed 28 June 2022)

POLITICAL CONTRIBUTIONS

No donations were made to political parties registered in the UK under the Political Parties, Elections and Referendums Act 2000.

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

FINANCIAL RISK MANAGEMENT**Price risk**

The company is exposed to some commodity price risk as a result of its operations, with fixed price contracts in place for the purchase of significant raw materials. Given the size of the company's operations, the costs of further managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Currency risk

The company is exposed to currency risk from purchases made from foreign countries. The company does buy forward foreign currency to manage the foreign exchange risk on purchases from overseas suppliers. no hedge accounting is applied.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed on a periodic basis by the finance department.

Liquidity risk

The company participates in a Masco UK group cash pooling arrangement which is used to maintain the appropriate liquidity that the company requires for its day to day requirements

Interest rate cash flow risk

The company has interest bearing assets and liabilities, which include cash balances which earn interest at floating bank rates. The interest rate risk is controlled through the group pooling arrangement described under the Liquidity risk section above

COVID-19 risk

The company adapted to the COVID-19 pandemic in 2020 and was able to continue to trade during the whole of 2020 and 2021 by making significant changes to its working practices. Changes were made to ensure all team members could work from home if possible and for employees working on site working practices were changed to minimise person to person contact and for teams to work in COVID-19 secure ways in line with Public Health England guidelines. In 2022 COVID-19 restrictions were removed and the company has operated effectively without any disruptions.

FUTURE DEVELOPMENTS

Crucial for the strategic direction of the company, future investments will continue to focus on innovation in products and brands. This will be coupled with ongoing talent investments and, on occasion, ceasing certain activities that will distract from growth in, or dilution of, the profitability of the business.

RESEARCH AND DEVELOPMENT ACTIVITIES

The company continues to invest in the research and development of new products. This amounted to £459,840 in 2021 (2020 - £502,903). The directors regard the investment in research and development as integral to the continuing success of the company and ensuring that the company provides customers and consumers with high quality products

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

ENGAGEMENT WITH EMPLOYEES

The directors believe that a significant business advantage is created by having a highly engaged and involved workforce as such we are always looking to improve both involvement and engagement. The company continues to operate the employee recognition scheme, Brilliance Rewards. The scheme allows a team member to be recommended by their colleagues for great performance and points are awarded that can be exchanged for a variety of gifts. The company also offers a bonus scheme to employees with the bonus dependent upon both the company and individuals achieving certain performance targets.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their division and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications.

DISABLED EMPLOYEES

The company is committed to the principle of equal opportunity in employment. Our employment policies for recruitment, selection, training, development and promotion are designed to ensure that no application receives less favourable treatment on the grounds of age, race, nationality, religion, political beliefs, disability, sex or marital status.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not suffer from a disability.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION**Methodology**

The footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using published emission factors.

Intensity Ratio

tCO ₂ e / £m	9.52	12.11
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BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Total consumption (kWh) figures

The total consumption (kWh) figures for energy supplies reportable by the company are as follows:

	2021 (kWh)	2020 (kWh)
Grid-supplied electricity	776,522	780,378
Natural gas	596,172	467,353
Transporation	1,980,938	2,236,080
	<u>3,353,632</u>	<u>3,483,811</u>

Total emission (tCO2e) figures

The total emission (tCO2e) figures for energy supplies reportable are as follows:

	2021 (tCO2e)	2020 (tCO2e)
Grid-supplied electricity (scope 2)	165	182
Gaseous and other fuels (scope 1)	580	622
	<u>745</u>	<u>804</u>

As part of a sustainability action plan from 2017 to 2021, Bristan Group has reduced electrical consumption and acheived a 6.9% absolute reduction in its Carbon footprint. This reduction has been achieved primarily through the installation of LED lighting across the business premises, but also through:

- Fitting a centralised air-con system which has lowered our energy usage
- Linking our air conditioning systems to movement sensors to prevent systems operating where areas, such as offices and meeting rooms, are unoccupied
- Installed energy monitoring meters to track energy usage and identify opportunities for improvement

Bristan Group has also implemented a TM44 report that identified further energy reduction opportunities that the team will be working towards over the next two years. Two of these projects that are currently being assessed are the replacement of the AC IT servers and the warehouse heating by more energy efficient units.

Bristan Group has also committed partnering with the Carbon Trust on the Route to Net Zero Standard. The Route to Net Zero Standard will help Bristan Group create an action plan for achieving Net Zero, with certified progress on the journey through a three-tier framework.

GOING CONCERN

In 2020 the directors considered the potential impact of the COVID-19 on future sales and took appropriate countermeasures to reduce the company's cost base. Taking into consideration the actions already taken, the company's £57.5m net current assets at the year end and the company's access to the group's cash pooling facilities, the directors are confident that the company has sufficient resources to trade for at least 12 months from the date of signing of these financial statements.

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on July 20, 2022 and signed on its behalf.


M Morgan
Director

BRISTAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTAN GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Bristan Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

BRISTAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTAN GROUP LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BRISTAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTAN GROUP LIMITED

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK taxation legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journals to revenue or manipulating accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Enquires of management, those charged with governance, around actual and potential litigation and claims;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Reviewing legal expenses accounts and board minutes;
- Auditing the risk of management override of controls, including through testing unusual journal entries and unpredictable procedures;
- Testing of accounting estimates which could be subject to management bias; and
- Reviewing financial statements disclosures and testing 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 FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BRISTAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTAN GROUP LIMITED

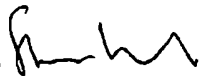
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Steven Kentish (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

July 20, 2022

BRISTAN GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Note	2021 £	2020 £
Turnover	4	78,260,109	66,386,677
Cost of sales		(39,707,179)	(36,222,226)
Gross profit		38,552,930	30,164,451
Distribution costs		(2,800,201)	(2,376,443)
Administrative expenses		(23,471,525)	(21,153,061)
Other operating income	5	39,019	1,291,482
Operating profit	6	12,320,223	7,926,429
Interest receivable and similar income	10	108,707	85,784
Interest payable and similar expenses	11	(202,898)	(231,446)
Profit before tax		12,226,032	7,780,767
Tax on profit	12	(1,294,829)	(165,170)
Profit for the financial year		10,931,203	7,615,597


The notes on pages 16 to 38 form part of these financial statements.

BRISTAN GROUP LIMITED
REGISTERED NUMBER: 01318148

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	4,938,765	6,245,800
Tangible assets	15	4,152,937	4,884,761
		<u>9,091,702</u>	<u>11,130,561</u>
Current assets			
Stocks	16	21,121,612	14,465,728
Debtors: amounts falling due within one year	17	51,160,840	53,787,696
Cash at bank and in hand	19	744,484	1,440,843
		<u>73,026,946</u>	<u>69,694,267</u>
Creditors: amounts falling due within one year	20	(24,622,840)	(18,818,718)
Net current assets		<u>48,404,106</u>	<u>50,875,549</u>
Total assets less current liabilities		<u>57,495,808</u>	<u>62,006,110</u>
Creditors: amounts falling due after more than one year	21	(2,298,618)	(2,893,342)
Provisions for liabilities			
Other provisions	24	(1,609,368)	(1,456,049)
		<u>(1,609,368)</u>	<u>(1,456,049)</u>
Net assets		<u><u>53,587,922</u></u>	<u><u>57,656,719</u></u>
Capital and reserves			
Called up share capital	25	60,000	60,000
Profit and loss account	26	53,527,922	57,596,719
Total equity		<u><u>53,587,922</u></u>	<u><u>57,656,719</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on July 20, 2022.


M Morgan
Director

The notes on pages 16 to 38 form part of these financial statements.

BRISTAN GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Called up share capital	Profit & loss account	Total equity
	£	£	£
At January 1, 2020	60,000	49,981,122	50,041,122
Comprehensive income for the year			
Profit for the year	-	7,615,597	7,615,597
Total comprehensive income for the year	-	7,615,597	7,615,597
At January 1, 2021	60,000	57,596,719	57,656,719
Comprehensive income for the year			
Profit for the year	-	10,931,203	10,931,203
Total comprehensive income for the year	-	10,931,203	10,931,203
Dividends: Equity capital	-	(15,000,000)	(15,000,000)
At December 31, 2021	60,000	53,527,922	53,587,922

The notes on pages 16 to 38 form part of these financial statements

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. GENERAL INFORMATION

The company is incorporated and domiciled in the UK as a private company limited by shares. Details of the principal activities are included in the Strategic report.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Park Row, Leeds, West Yorkshire, LS1 5AB, England.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention modified by the revaluation of financial assets and financial liabilities held at fair value and in accordance with Financial Reporting Standard 102 ('FRS 102'); the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently in both years, unless otherwise stated.

2.2 FRS 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 3 Financial statement presentation paragraph 3.17(d); and
- the requirements of Section 7 Statement of cash flows

This information is included in the consolidated financial statements of Masco Corporation as at 31 December 2021 and these financial statements may be obtained from the Secretary, Masco Corporation, 17450 College Parkway, Livonia, Michigan 48152, United States of America.

2.3 Going concern

Whilst the COVID-19 pandemic continues to create some uncertainty over the level of demand for the company's products, the company's trading results for 2021 and the company's forecasts and projections for 2022 and beyond show the company have adequate finance facilities. The directors continually review inflation pressures and respond accordingly by increasing the sales prices of the products to maintain gross profit. The directors have a reasonable expectation that the company has adequate resources to continue trading for at least 12 months from the date of signing of these financial statements. The company therefore continues to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer, usually on dispatch of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Goodwill is amortised over 10 to 20 years, which is the period over which the directors estimate that the value of the underlying business acquired is expected to exceed the value of the underlying assets. Where negative goodwill has arisen it was credited to the Statement of comprehensive income ("Income statement") over a period of 2 years.

Other intangible assets

Other Intangibles, include purchased trademarks, patents and domain names, are being amortised over 10 years. Computer software is disclosed within the other intangibles category and is amortised over its estimated useful life, of between 3 to 6 years, on a straight line basis.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

2.6 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of tangible assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income statement during the period in which they are incurred.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2. ACCOUNTING POLICIES (CONTINUED)**2.6 Tangible assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is not charged on assets under construction.

Depreciation is provided on the following basis:

Leasehold property	- shorter of lease term and 50 years
Plant and machinery	- 3 to 20 years
Office equipment	- 3 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within administrative expenses in the Income statement.

2.7 Leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in the Income statement for the period.

BRISTAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Trade debtors

Trade debtors are stated after provisions for returns, doubtful debts, rebates and claims.

2.10 Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets and liabilities (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at transaction price and subsequently at amortised cost.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Income statement within cost of sales. The company does not currently apply hedge accounting for foreign exchange derivatives.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentation currency is Pounds Sterling.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within cost of sales.

2.13 Dividends

Equity dividends are recognised in the period in which the dividends are approved by the board of directors.

2.14 Share based payments

The cost of cash-settled transactions is measured at fair value using a Black-Scholes option pricing model. Fair value is established initially at the grant date and at each Statement of financial position date thereafter until the awards are settled.

During the vesting period, a liability is recognised representing:

- the product of the fair value of the award and the portion of the vesting period earned based upon an assumption of continued service; and
- the product of the intrinsic value of dividends declared by Masco Corporation converted into Pound Sterling at the relevant spot rates when the dividends were declared and the amount of unvested awards.

From the end of the vesting period until settlement, the liability represents the full fair value of the award at the Statement of financial position date. Changes in the carrying amount of the liability are recognised in the Income statement for the period.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Income statement using the effective interest rate method.

2.17 Borrowing costs

Borrowing costs are recognised in the Income statement in the period in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.19 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except to the extent that it relates to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity, respectively.

Current or deferred taxation assets and liabilities are not discounted.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not yet reversed by the Statement of financial position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.21 Group relief

Group relief is surrendered to/received from other group companies for no consideration. In specific circumstances, individual group companies may reach agreement between themselves to surrender and/or receive group relief for consideration. Such agreements usually run for 5 years before being subject to review.

Should group relief be surrendered to/received from other group companies for consideration, the consideration paid will reflect, at a minimum, the corporation tax amounts surrendered and/or received. These amounts are reported as expenses or benefits within the tax on profit/loss on ordinary activities within the Income statement.

On a discretionary basis, group companies may agree to compensate for amounts in excess of the corporation tax amounts surrendered and/or received. In this instance, the excess over the corporation tax amount is shown as a separate movement within the Profit and loss account reserve on the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of financial position date and amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements 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.

The directors do not consider there to be any significant judgements in applying accounting policies.

The following are the company's key sources of estimation uncertainty:

Share-based payments

The company accounts for cash-settled share-based payments in accordance with FRS 102. The cost of cash-settled transactions is measured at fair value using a Black-Scholes option pricing model. Fair value is established based on current share price and historically observed fluctuations, risk free interest rate, dividend amounts, exchange rates and risk factors. Judgements are made based on best estimate predictions of these variables and are reviewed and updated on a regular basis.

Goodwill and intangible assets

The directors derive a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which goodwill is attributed, and any legal, regulatory or contractual provisions that can limit useful life. The directors consider if there has been any triggering events that would require an impairment review on the carrying value of intangible assets. If an impairment review is required, the fair value is based on a discounted cash flow model. The cash flows are derived from the company's five year plan forecasts. The discounted cost value is most sensitive to the discount rate used as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Warranty provisions

The warranty provision is estimated by the directors using historical data on previous claims and then extrapolated forward and adjusted for sales volume changes, inflation and other known factors such as product modifications introduced to reduce warranty failure or suppliers' contributions to cover warranty costs.

Stock provisioning

The company designs and sources bathroom equipment and is subject to changing consumer demands and fashion trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible assets, and note 2.6 for the useful economic lives for each class of assets.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

4. TURNOVER

Analysis of turnover by country of destination

	2021 £	2020 £
United Kingdom	76,432,958	64,844,265
Rest of Europe	1,349,513	1,334,502
Rest of the world	477,638	207,910
	<u>78,260,109</u>	<u>66,386,677</u>

5. OTHER OPERATING INCOME

During 2021, the company received £39,019 (2020 - £1,291,482) from the government in respect of the Coronavirus Job Retention Scheme ("CJRS"). The CJRS grant has been treated as revenue in the same period as the related expenditure. At the year end there was an outstanding claim for £NIL (2020 - £12,500) included in Prepayments and accrued income.

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting).

	2021 £	2020 £
Research & development charged as an expense	459,840	502,903
Tangible fixed asset depreciation	996,758	1,017,703
Amortisation of intangible assets, including goodwill	1,395,638	1,393,221
Exchange differences	(1,427,391)	443,548
Other operating lease rentals	916,114	926,531
Defined contribution pension costs	759,483	691,100
Impairment of inventory	1,448,157	545,263
Cost of stock recognised in cost of sales	<u>39,836,596</u>	<u>35,616,318</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

7. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	82,895	80,482
	<u>82,895</u>	<u>80,482</u>
FEES PAYABLE TO THE COMPANY'S AUDITORS AND THEIR ASSOCIATES IN RESPECT OF:		
Tax compliance services	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	9,867,577	9,031,009
Social security costs	988,661	939,089
Other pension costs	759,483	691,100
	<u>11,615,721</u>	<u>10,661,198</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Production	4	4
Selling and distribution	200	199
Administration	56	53
	<u>260</u>	<u>256</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

9. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	495,750	189,263
Company contributions to defined contribution pension schemes	16,389	4,019
	<u>512,139</u>	<u>193,282</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £337,471 (2020 - £189,263).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £4,019).

The total accrued pension provision of the highest paid director at December 31, 2021 amounted to £NIL (2020 - £NIL).

The aggregate amounts accrued (excluding shares) under long term incentive schemes is £110,167 (2020 - £105,532) of which £NIL (2020 - £105,532) is in respect of the highest paid director. The directors do not hold any share options so none were exercised.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Interest receivable from group companies	108,688	85,784
Other interest receivable	19	-
	<u>108,707</u>	<u>85,784</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Other loan interest payable	9,652	4,305
Loans from group undertakings	5,288	627
Finance leases and hire purchase contracts	187,958	226,514
	<u>202,898</u>	<u>231,446</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

12. TAX ON PROFIT

Tax charge included in profit

	2021 £	2020 £
CORPORATION TAX		
UK corporation tax on profit for the year	1,412,004	55,155
TOTAL CURRENT TAX	<u>1,412,004</u>	<u>55,155</u>
DEFERRED TAX		
Origination and reversal of timing differences	100,177	103,276
Impact of change in tax rates	(195,202)	(73,607)
Adjustments in respect of previous years	(22,150)	80,346
TOTAL DEFERRED TAX	<u>(117,175)</u>	<u>110,015</u>
TAXATION ON PROFIT	<u>1,294,829</u>	<u>165,170</u>

Reconciliation of tax charge

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%). The differences are explained below:

	2021 £	2020 £
Profit before tax	<u>12,226,032</u>	<u>7,780,767</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	2,322,946	1,478,346
EFFECTS OF:		
Expenses not deductible for tax purposes, including goodwill amortisation	259,886	252,620
Origination and reversal of timing differences	(195,202)	(73,607)
Adjustments in respect of previous years	(22,150)	80,346
Change to tax rates current vs deferred	24,043	-
Losses claimed as group relief for no consideration	(1,094,694)	(1,572,535)
TOTAL TAX CHARGE FOR THE YEAR	<u>1,294,829</u>	<u>165,170</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

12. TAX ON PROFIT (CONTINUED)**Tax rate changes**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had been substantively enacted and therefore its effects are included in these financial statements.

13. DIVIDENDS

	2021 £	2020 £
Dividends paid to parent company	15,000,000	-
	<u>15,000,000</u>	<u>-</u>

The company paid a £15,000,000 dividend on 16 November 2021 to Masco Corporation Limited, the company's sole shareholder.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

14. INTANGIBLE ASSETS

	Other Intangible assets £	Goodwill £	Negative goodwill £	Total £
Cost				
At 1 January 2021	4,215,445	64,490,536	(1,643,000)	67,062,981
Additions	40,976	-	-	40,976
Transfer from tangible assets	47,628	-	-	47,628
At December 31, 2021	4,304,048	64,490,536	(1,643,000)	67,151,584
Amortisation				
At 1 January 2021	3,516,440	58,944,741	(1,643,000)	60,817,181
Charge for the year on owned assets	207,794	1,187,844	-	1,395,638
At December 31, 2021	3,723,234	60,132,585	(1,643,000)	62,212,819
Net book value				
At December 31, 2021	580,814	4,357,951	-	4,938,765
At December 31, 2020	700,005	5,545,795	-	6,245,800

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

15. TANGIBLE ASSETS

	Leasehold property £	Plant and machinery £	Office equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2021	11,526,453	6,610,113	1,969,499	369,659	20,475,724
Additions	-	-	-	328,843	328,843
Disposals	-	(14,045)	-	(4,577)	(18,622)
Transfers between classes	-	456,895	129,730	(586,625)	-
Transfer to intangible assets	-	-	-	(47,628)	(47,628)
At December 31, 2021	11,526,453	7,062,963	2,099,229	59,672	20,738,317
Depreciation					
At 1 January 2021	8,441,179	5,681,673	1,468,112	-	15,590,964
Charge for the year on owned assets	574,568	254,128	168,062	-	996,758
Disposals	-	(2,341)	-	-	(2,341)
At December 31, 2021	9,015,747	5,933,460	1,636,174	-	16,585,381
Net book value					
At December 31, 2021	2,510,706	1,119,503	463,055	59,672	4,152,936
At December 31, 2020	3,085,274	928,440	501,387	369,659	4,884,760

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Land and buildings	1,620,667	1,994,667
	<u>1,620,667</u>	<u>1,994,667</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

16. STOCKS

	2021 £	2020 £
Raw materials and consumables	83,200	34,442
Work in progress	7,962	22,098
Finished goods and goods for resale	21,030,450	14,409,188
	<u>21,121,612</u>	<u>14,465,728</u>

Stocks are stated after provision for impairment of £1,896,071 (2020 - £1,236,310).

There is no significant difference between the replacement cost of stock and the carrying value.

17. DEBTORS: Amounts falling due within one year

	2021 £	2020 £
Trade debtors	9,509,862	9,550,415
Amounts owed by group undertakings	38,152,793	42,251,133
Deferred taxation (note 18)	713,165	595,990
Derivative financial instruments (note 23)	703,881	-
Prepayments and accrued income	2,081,139	1,390,158
	<u>51,160,840</u>	<u>53,787,696</u>

Trade debtors are stated after provision for impairment of £14,579 (2020 - £10,747). The provisions take into consideration the debtor credit insurance policies in place in each respective year.

Financial assets held at amortised cost included above total £47,662,655 (2020 - £51,801,548).

Amounts owed by group undertakings are amounts owed by the parent company totalling £38,152,793 (2020 - £42,251,133), which are unsecured and are repayable on demand. The outstanding balance is interest bearing at 1% below the relevant base rate, subject to a minimum rate of 0.25%, depending on the denomination of the amount outstanding.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

18. DEFERRED TAXATION

	Deferred tax £
At January 1, 2021	595,990
Movement in year	117,175
At December 31, 2021	<u>713,165</u>

The deferred tax asset is made up as follows;

	2021 £	2020 £
Depreciation in excess of capital allowances	731,304	623,761
Other timing differences	(18,139)	(27,771)
	<u>713,165</u>	<u>595,990</u>

There are no unused tax losses.

The net deferred asset expected to reverse in 2022 is £26,648.

19. CASH AT BANK AND IN HAND

	2021 £	2020 £
Cash at bank and in hand	744,494	1,440,843
	<u>744,494</u>	<u>1,440,843</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

20. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	18,915,516	13,211,522
Amounts owed to group undertakings	979,585	71,023
Corporation tax	1,467,159	55,155
Other taxation and social security	854,598	2,553,855
Obligations under finance lease and hire purchase contracts	611,759	573,204
Other creditors	114,160	108,033
Derivative financial instruments (Note 23)	-	977,235
Accruals and deferred income	1,680,063	1,268,691
	<u>24,622,840</u>	<u>18,818,718</u>

Financial liabilities held at amortised cost included above total £20,621,020 (2020 - £14,941,018).

Amounts owed to group undertakings include amounts owed to the parent company totalling £NIL (2020 - £NIL), which are unsecured and are repayable on demand. The outstanding balance is interest bearing at 1% above the relevant base rate, depending on the denomination of the amounts outstanding.

Amounts owed to other group companies are repayable on demand, unsecured and non-interest bearing.

The finance lease and hire purchase creditors are secured on leasehold property to which they relate.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

21. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	2,174,790	2,786,551
Other creditors	123,728	106,791
	<u>2,298,518</u>	<u>2,893,342</u>

22. FINANCE LEASES AND HIRE PURCHASE

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	761,162	761,162
Between 1-5 years	2,394,352	3,044,648
Over 5 years	-	110,866
	<u>(368,962)</u>	<u>(556,921)</u>
Less finance charges included	<u>2,786,552</u>	<u>3,359,755</u>

The total finance lease creditor of £2,786,552 (2020 - £3,359,755) is secured on leasehold property. The finance lease term is 20 years from May 2006 and interest is charged at a fixed rate of 10.4% per annum.

23. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial assets measured at fair value through profit or loss comprise contracted forward foreign exchange contracts with a total Pounds Sterling value at December 31, 2021 of £24,414,992 (2020 - £30,320,532). The commitments at December 31, 2021 were \$33,000,000 at a forward value of £23,711,111 with monthly deal dates from January 2022 to August 2022 (at December 31, 2020 the commitments were \$41,250,000 at a forward value of £31,297,768). These contracts have been fair valued at the Statement of financial position date based on available forward rates applicable to the individual currency contracts.

All of these contracts are with Masco Corporation group companies in both years.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. OTHER PROVISIONS

	Warranty provision £	Lease dilapidation £	Total £
At January 1, 2021	973,428	482,621	1,456,049
Charged to profit or loss	791,723	9,652	801,375
Utilised in year	(648,056)	-	(648,056)
At December 31, 2021	<u>1,117,095</u>	<u>492,273</u>	<u>1,609,368</u>

Warranty provision

The warranty provision is to cover the costs of future claims under warranties offered by the company that generally cover the products for a period of five years in domestic use and one year in commercial use. The warranty provision expected to be utilised within one year totals £620,252 (2020 - £528,863).

Lease dilapidation

The dilapidation provision is to cover future costs when the company vacates leased properties and decommissions other leased assets. The provision is expected to be utilised by 2026.

25. CALLED UP SHARE CAPITAL**Shares classified as equity**

	2021 £	2020 £
Authorised, allotted, called up and fully paid 60,000 (2020 - 60,000) Ordinary shares of £1.00 each	<u>60,000</u>	<u>60,000</u>

26. PROFIT AND LOSS ACCOUNT**Retained earnings**

This reserve records the cumulative profit or losses recorded through the Income statement less any dividends declared and paid to shareholders since inception of the company.

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27. SHARE BASED PAYMENTS**Phantom stock awards**

Phantom stock awards are notional stock awards granted to directors and selected employees which vest annually from the grant date over a 3 or 5 year period, are conditional on continued service and whose settlement value is linked to the value of Masco Corporation shares (listed on the New York Stock Exchange) at each settlement date.

Phantom stock awards are settled in full immediately on vesting and have a nil exercise price. Notional dividends accrue on the unvested portion of Phantom stock awards and are paid by the company on each annual vesting date.

The expense recognised for Phantom stock awards during the year to December 31, 2021 is £136,619 (2020 - £125,743). This was in its entirety cash-settled share-based.

The following table illustrates the movements in the number of Phantom stock awards, granted with a nil exercise price:

	2021 No.	2020 No.
Outstanding as at January 1	7,026	8,108
Granted during the year	2,640	2,510
Vested during the year	(2,750)	(3,274)
Expired during the year	(1,389)	(318)
	<u>5,527</u>	<u>7,026</u>

The fair value of the cash-settled options is measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and a liability to pay for those services is recognised over the expected vesting period. Until the liability is settled it is re-measured at each reporting date with changes in fair value recognised in the Income statement.

The carrying amount of the liability relating to the cash-settled share-based awards as at December 31, 2021 is £273,879 (2020 - £244,082).

28. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £759,483 (2020 - £691,100). Contributions totalling £8,920 (2020 - £7,812) were payable to the fund at the Statement of financial position date and are included in accruals and deferred income.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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29. COMMITMENTS UNDER OPERATING LEASES

At December 31, 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	757,322	737,293
Later than 1 year and not later than 5 years	1,880,929	2,259,007
Later than 5 years	-	168,508
	<u>2,638,251</u>	<u>3,164,808</u>

The 2021 and 2020 operating lease commitments include the land rent allocation on the company's leased property. The lease term ends in May 2026.

30. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS 102 33.1A not to disclose transactions with companies wholly owned within the Masco Corporation group.

31. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Masco Corporation Limited, a company incorporated in the United Kingdom.

The parent undertaking of the smallest group that prepares consolidated financial statements is Masco Europe S.C.S., a company incorporated in Luxembourg. Copies of the consolidated financial statements may be obtained from the Secretary at Masco Europe S.C.S., Z.I. Rothoicht, JOE Business Center, Entrée B, 14, rue Strachen, 6933 Mensdorf, Luxembourg.

The ultimate parent undertaking and controlling party is Masco Corporation (a company incorporated in the United States of America), which heads the largest group to consolidate these financial statements. Copies of the consolidated financial statements of Masco Corporation can be obtained from the Secretary at Masco Corporation, 17450 College Parkway, Livonia, Michigan 48152, United States of America (or via its website at www.masco.com).