

**COMPANY REGISTERED NUMBER: 02723962**

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**STRATEGIC REPORT**

The Directors present the Strategic Report and the Directors' Report together with the audited financial statements of the Company for the year ended 31 December 2019.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company is the wholesale distribution of plumbing, heating and bathroom products. The results for the year ended 31 December 2019 and the financial position at the end of that financial year are set out on pages 11 and 12 respectively and the trading performance and financial position of the Company were satisfactory. Future objectives continue to be the growth and development of the business.

As part of a restructuring of its subsidiary businesses, on 1 January 2019, the entire trade and assets of GB Willbond Limited, Heating Plumbing Supplies Limited, Plumbcity Limited, Plumbstop Limited, Plumbing and Heating Investments Limited (formerly UK Plumbing Supplies Limited) and Plumbstore (Plumbing + Heating Supplies) Limited were hived up into the Company (note 28). These subsidiary companies became dormant from that date.

During the year, the Company acquired the issued share capital of Bathroom Centre Limited, Gas Centre Holdings Limited, Millbrook Distribution and Spares Limited and Plumbase Limited (note 12).

**POST BALANCE SHEET EVENTS**

On 1 January 2020, the Company changed its name from Plumbing and Heating Investments Limited to UK Plumbing Supplies Limited. On the same date, one of the Company's subsidiary companies changed its name from UK Plumbing Supplies Limited to Plumbing and Heating Investments Limited.

On 1 January 2020, as part of a restructuring exercise, the entire trade and assets of Bathroom Centre Limited, Gas Centre Limited and Millbrook Distribution and Spares Limited were hived up into the Company. These subsidiary companies became dormant from that date.

Since March 2020 the UK has been affected by the Covid-19 pandemic. The Company has put in place protective measures to allow it to continue to trade safely and has reviewed its operations to ensure any negative financial impact on the Company is minimised.

**KEY PERFORMANCE INDICATORS**

The Company considers many performance indicators, both financial and non-financial. The key operating parameters include gross profit per employee and overhead costs as percentages of sales and gross profit. Financial performance is considered in many ways including overall margins, working capital efficiency and return on capital.

	2019	2018
	£000	£000
Turnover	173,934	-
Operating profit/(loss) before amortisation of intangible assets	4,068	(372)
Operating loss	(4,415)	(372)

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**STRATEGIC REPORT (CONTINUED)**

**FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to some financial risks. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of financial risk.

**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 customer is subject to a limit, which is reviewed on an ongoing basis.

**Liquidity Risk**

The Company meets its working capital requirements through its financial resources and financing facilities. Financial forecasts are prepared and reviewed on a regular basis to ensure that the Company has sufficient resources to meet its ongoing obligations.

**UK withdrawal from the European Union**

The final terms on which the United Kingdom has withdrawn from the European Union are still uncertain. The Company therefore continues to prepare for the full withdraw by monitoring and evaluating the potential implications on the Company's trade, customers and suppliers.

**Coronavirus (Covid-19)**

The final and full effects of the Covid-19 pandemic on the business are still uncertain. The Company suffered a downturn in trading volumes during the initial Covid-19 restrictions in 2020 but since then these have largely recovered.

**STATEMENT ON s172 OF THE COMPANIES ACT 2006**

In July 2018, the revised UK Corporate Governance Code ('2018 Code') was published. It applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company.

The Board of UK Plumbing Supplies Limited ("UKPS") has considered the direction of the UK Financial Reporting Council (the 'FRC') and this S172 statement, the first published by UKPS, sets out how the Board have engaged with shareholders, employees, suppliers, customers and others; have had regard to employee interests, the need to foster the Company's business relationships with suppliers, customers and others, and the effect of the principal strategic decisions taken by the Company during the financial year. The statement focuses on matters of strategic importance to UKPS and the level of information disclosed is consistent with the size and the complexity of the business.

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, is most likely to promote the success of the Company for the benefit of its shareholders. Key decisions that are of strategic importance to the Company are appropriately informed by s172 factors.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**STRATEGIC REPORT (CONTINUED)**

**STATEMENT ON s172 OF THE COMPANIES ACT 2006 (CONTINUED)**

UKPS is a privately owned company and the Directors have ongoing and transparent communication with the shareholders. The Board of UKPS have a clear understanding of their needs, ambitions and cultural expectations.

**S172(1) (A) - Long term decision making**

The Directors understand the business and the evolving environment in which the Company operates. In line with its strategy, the Company intends to strengthen its position as a great provider of service and quality products whilst growing its product market and customer base.

The long-term success of the business depends on constantly striving to improve the performance of the business through the decentralised model and related reward structure.

**S172(1) (B) - Company employees**

The Board recognise that its employees are a great asset and fundamental to achieving the Company's strategic ambitions. The success of the business depends on recruiting and retaining talent. The Company strives to be a responsible employer and regularly reviews pay and benefits as well as providing a safe working environment. Personal development is encouraged and coaching is provided to managers and their teams through the decentralised management structure.

The Company continues to devote resources to the maintenance of good communication with employees at all levels. The Directors consider effective communication with employees to be an integral part of good management.

It is the Company's policy to provide equal opportunity for employees or applicants for employment irrespective of colour, race, nationality, ethnic origin, sex, age, disability or marital status.

**S172(1) (C) - Relationships with suppliers, customers and other stakeholders**

Delivering the Company strategy requires strong mutually beneficial relationships with suppliers and customers, which are promoted through various engagement with these stakeholders, including:

- hosting customer and supplier events at local and regional level, including training for both customers and staff;
- regular meetings with major customers in support of our national sales programme;
- regular meetings with major suppliers to ensure we are supporting their efforts to bring products to market at fair prices, with rigorous quality control and high levels of availability;
- regular contact with our bankers and professional advisers to discuss our strategy and performance; and
- regular engagement with the trustees of our pension schemes to review funding levels and investment performance and to brief the Trustees on our business performance and prospects.

**S172(1) (D) - The impact of the Company's operations on the community and the environment**

As part of the Board's decision-making process, the Board and its Committees consider the potential impact of the Company's operations on the local community and environment.

Local teams are engaged with various charitable initiatives in their communities.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**STRATEGIC REPORT (CONTINUED)**

**STATEMENT ON s172 OF THE COMPANIES ACT 2006 (CONTINUED)**

**S172(1) (E) - Business conduct**

UKPS is guided by robust and principled ethical, moral and legal standards which we strive to meet whilst acting in a way the Directors consider to be economically and socially responsible.

We have a zero-tolerance approach to modern slavery, anti-bribery and corruption and discrimination.

**S172(1) (F) – Shareholders**

As set out above, as a privately-owned Company, the Directors seek to deliver on long-term strategy whilst taking into consideration the impact on its shareholders. The Company benefits from a close relationship with its shareholders and consider this relationship to be a unique strength of our business.

On behalf of the Board



**D CHRISTIE**  
**Director**

Date: 3 NOVEMBER 2020

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**DIRECTORS' REPORT**

**RESULTS AND DIVIDENDS**

The results for the year ended 31 December 2019 are shown in the attached financial statements. A final dividend of £Nil (2018 - £Nil) was paid during the year. The Directors recommend that the loss for the financial year of £6,945,000 (2018 – profit of £3,445,000) be transferred to reserves.

**DIRECTORS**

The Directors of the Company during the year and to the date of this report were as follows:

D Christie  
A Falconer  
R Goddard  
A Hogg  
G Love  
D McNair  
S Wimbledon  
W Woof

**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 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.

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.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**DIRECTORS' REPORT (CONTINUED)**

**EMPLOYEE COMMUNICATIONS**

The Company continues to devote resources to the maintenance of good communication with employees at all levels. The Directors consider effective communication with the staff to be an integral part of good management.

**EMPLOYMENT OF DISABLED PEOPLE**

The policy of the Company is to ensure that disabled people are given equal opportunity with other candidates for recruitment, training and promotion in respect of jobs which can be carried out effectively by a disabled person. If employees become disabled during their period of employment every effort is made to provide suitable employment for them within the Company.

**CHARITABLE AND POLITICAL DONATIONS**

Charitable donations are disclosed in note 7. The Company made no political donations during the year (2018 - £Nil).

**PRINCIPAL RISKS AND FUTURE DEVELOPMENTS**

The Directors are responsible for the Company's risk management programme. The Directors seek to identify and manage day to day risks in accordance with defined policies and procedures. Details of the financial risk management programme and the development of the business are set out in the Strategic Report.

**GOING CONCERN**

The Company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Company's products; and (b) the availability of bank finance for the foreseeable future.

The bank financing arrangements of the Company includes cash at bank or in hand and a loan from a group undertaking.

The Company's forecasts and predictions, taking account of reasonably possible changes in trading performance, show that the Directors have a reasonable expectation that the Company will be able to operate within the level of its current resources for the foreseeable future.

As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. The Company therefore, continues to adopt the going concern basis in preparing its financial statements.

**DIRECTORS' AND OFFICERS' INDEMNITIES**

The Company maintained throughout the year and to the date of approval of the financial statements liability insurance for its directors and officers. This is a qualifying third-party provision for the purposes of the Companies Act 2006.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**DIRECTORS' REPORT (CONTINUED)**

**STAKEHOLDER ENGAGEMENT AND EMPLOYEE ENGAGEMENT STATEMENT**

The Directors regularly engage with all stakeholders including employees, customers, suppliers and other business partners. This enables the Directors to enhance market focus, improve decision making and promote the long-term success of the Company more effectively. More detail can be found in the s172 disclosure within the Strategic Report on page 2.

**POST BALANCE SHEET EVENTS**

Since March 2020 the UK has been affected by the Covid-19 pandemic. The Company has put in place protective measures to allow it to continue to trade safely and has reviewed its operations to ensure any negative financial impact on the Company is minimised.

**DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has 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.

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board



D CHRISTIE  
Director

Date: 3 NOVEMBER 2020

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

In our opinion, UK Plumbing Supplies Limited (formerly Plumbing and Heating Investments Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 balance sheet as at 31 December 2019; 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**

We have nothing to report in respect of the following matters in relation to which 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.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**UK PLUMBING SUPPLIES LIMITED (CONTINUED)**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS 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 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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 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 set out on page 5, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**UK PLUMBING SUPPLIES LIMITED (CONTINUED)**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT (CONTINUED)**

*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.

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](http://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.

**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 received 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.

*Kate Finn*

Kate Finn (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

Date: 3 November 2020

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>Note</u>	2019 £000	2018 £000
<b>TURNOVER</b>	4	173,934	-
Cost of sales		<u>(123,690)</u>	<u>-</u>
<b>GROSS PROFIT</b>		50,244	-
Distribution costs		(46,176)	(372)
Amortisation of intangible assets	9	<u>(8,483)</u>	<u>-</u>
<b>OPERATING LOSS</b>		(4,415)	(372)
Income from shares in group undertakings		-	5,000
Other interest receivable and similar income	5	268	122
Other interest payable and similar charges	6	<u>(2,106)</u>	<u>(1,495)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	7	(6,253)	3,255
Tax on (loss)/profit	8	<u>(692)</u>	<u>190</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(6,945)</u>	<u>3,445</u>

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**BALANCE SHEET AS AT 31 DECEMBER 2019**

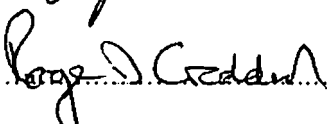
	Note	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Intangible assets	9	48,343	-
Tangible assets	10	4,135	21
Investments	12	<u>57,280</u>	<u>100,344</u>
		<u>109,758</u>	<u>100,365</u>
<b>CURRENT ASSETS</b>			
Inventories	13	19,702	-
Debtors	14	63,112	6,335
Cash at bank and in hand		<u>4,711</u>	<u>283</u>
		87,525	6,618
CREDITORS - Amounts falling due within one year	15	<u>(25,645)</u>	<u>(6,360)</u>
<b>NET CURRENT ASSETS</b>		<u>61,880</u>	<u>258</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		171,638	100,623
CREDITORS – Amounts falling due after more than one year	16	(139,053)	(48,835)
Provisions for liabilities	17	<u>(4,446)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>28,139</u>	<u>51,788</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	10	10
Share premium account		41,032	41,032
Merger reserve	20	(14,510)	-
Profit and loss account		<u>1,607</u>	<u>10,746</u>
<b>TOTAL EQUITY</b>		<u>28,139</u>	<u>51,788</u>

The notes on pages 14 to 31 form part of these financial statements.

The financial statements on pages 11 to 31 were approved by the Board of Directors on 3 NOVEMBER 2020 and were signed on its behalf by:

DIRECTORS

.....  ..... D CHRISTIE

.....  ..... R GODDARD

Company registered number: 02723962

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Called up Share Capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2018</b>		10	41,032	-	7,301	48,343
Profit for the financial year and total comprehensive income		-	-	-	3,445	3,445
<b>At 31 December 2018</b>		10	41,032	-	10,746	51,788
Merger reserve arising on subsidiary hive-up	20	-	-	(16,704)	-	(16,704)
Merger reserve amortisation in year	20	-	-	2,194	(2,194)	-
Loss for the financial year and total comprehensive expense		-	-	-	(6,945)	(6,945)
<b>At 31 December 2019</b>		10	41,032	(14,510)	1,607	28,139

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

**1 COMPANY INFORMATION**

The Company is a United Kingdom private company limited by shares and is registered in England. The address of its registered office is Quayside 2a Wilderspool Park, Greenalls Avenue, Stockton Heath, Cheshire, England, WA4 6HL.

**2 COMPLIANCE WITH ACCOUNTING STANDARDS**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of presentation**

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

**Going concern**

The Company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Company's products; and (b) the availability of bank finance for the foreseeable future.

The bank financing arrangements of the Company includes cash at bank or in hand and a loan from a group undertaking.

The Company's forecasts and predictions, taking account of reasonably possible changes in trading performance, show that the Directors have a reasonable expectation that the Company will be able to operate within the level of its current resources for the foreseeable future.

As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. The Company therefore, continues to adopt the going concern basis in preparing its financial statements.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Exemptions for qualifying entities under FRS 102**

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

**i. Statement of cash flow**

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 3.17(d) on the grounds that a consolidated cash flow statement is included in the financial statements of Marlowe Holdings Limited.

**ii. Exemption from preparing consolidated financial statements**

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of Marlowe Holdings Limited.

**Exemptions for qualifying entities under FRS 102 (continued)**

**iii. Financial instrument disclosures**

The Company has taken advantage of the exemption from the financial instruments disclosures required under FRS 102 paragraphs 11.40 to 11.48A and paragraphs 12.26 and 12.29, as the information is provided in the consolidated financial statement disclosures of Marlowe Holdings Limited.

**iv. Key management personnel compensation**

The Company has taken advantage of the exemption from disclosing the Company key management personnel compensation pursuant to FRS 102 paragraph 33.7.

**v. Related party disclosures**

The Company has taken advantage of the exemption from disclosing the related party disclosures pursuant to FRS 102 paragraph 33.1A.

**Goodwill**

Goodwill represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life of 10 years, being the period during which the benefits are expected to accrue. Goodwill is assessed for impairment and if applicable the relevant amount is charged to the profit and loss account. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Intangible assets and amortisation**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual values over their estimated useful lives at the following rates:

Software	- 5 years
Customer Relationships	- 5 years from the purchase date of the subsidiary company

**Merger reserve**

A merger reserve arises on the hive-up of the trade and assets of the Company's subsidiaries. On creation, it represents the difference between the value of the Company's investments in the subsidiaries prior to the hive-up and the amounts recognised as assets and liabilities in the Company's Balance Sheet post hive-up.

The Company has adopted a policy of impairing the merger reserve over a period commensurate with the goodwill amortisation relating to the original acquisition of the subsidiary businesses (10 years). The annual amortisation amount is transferred to profit and loss reserves.

**Tangible assets and depreciation**

The purchase cost of tangible assets includes the invoiced amount, delivery and installation. Items costing £1,000 or less are written off to the profit and loss account in the year of purchase. Depreciation of assets is calculated in equal annual instalments by reference to original net cost and estimated economic life at the following rates:

Improvements to short leasehold properties	- over the lesser of the life of the lease and 5 years
Equipment, fixtures and fittings	- over 4 years
Motor vehicles	- over 4 years

**Investments**

Investments are stated in the financial statements at cost less any provision required to reflect a diminution in value.

**Inventories**

Inventories are stated at the lower of cost and estimated net realisable value, due allowance being made for obsolete and slow moving items. Inventories are recognised as an expense in the period in which the related revenue is recognised.

**Revenue recognition**

Turnover is recognised when goods are despatched to, or collected by, customers and represents the invoiced value of such goods sold and any services provided, net of settlement discounts allowed, rebates payable to customers and value added taxes.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Rebate income from suppliers**

The Company has arrangements with suppliers whereby volume-related rebate income is received in connection with the purchase of goods for resale from those suppliers. The majority of rebate income relates to adjustments to the original purchase price of the product and is recognised as a credit within cost of sales.

Rebate income earned relating to inventories still held by the Company at the end of the financial year is included as a reduction to the cost of those inventories. Rebate income is only recognised in cost of sales once the inventory has been sold.

Amounts due from suppliers relating to rebate income are offset against amounts owed to those suppliers.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred tax assets and liabilities are not discounted.

**Current tax**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Unrelieved tax losses and other deferred tax assets are only recognised when it is more likely than not they can be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference.

**Pension costs**

The Company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

**Operating lease costs**

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

**Functional and presentation currency**

The Company's functional and presentation currency is the pound sterling and is rounded to thousands.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at the transaction price, unless they constitute a financing arrangement. These financial assets are subsequently carried at amortised cost using the effective interest method. The amortised cost is the net of the amounts at initial recognition, less any repayments and reductions for impairment. Where the transaction is a financing arrangement, it is measured at the present value of the future receipts discounted at a market rate of interest.

**ii. Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Debt instruments are subsequently carried at amortised cost, using the effective interest method. The amortised cost is the net of the amounts at initial recognition, less any repayments of the principal. Where the transaction is a financing arrangement, it is measured at the present value of the future payments discounted at a market rate of interest.

Financial assets and liabilities that have no stated interest rate (and do not constitute a financing transaction) and are payable or receivable within one year, are initially measured at an undiscounted amount.

**iii. Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Critical accounting estimates and judgements**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will not always equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next financial year are addressed below:

**i. Inventory provisioning**

When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions about anticipated saleability and usage.

**ii. Impairment of debtors**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debts and historical experience.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Critical accounting estimates and judgements (continued)**

**iii. Intangible assets including goodwill**

Intangible assets are amortised over the period which management estimate the economic benefit will be derived from the assets. The useful economic life of the Group's assets are determined by management at the time the asset is acquired and are reviewed annually.

The intangible assets including goodwill are reviewed annually for impairment. To assess if there is any impairment, estimates are made of the future cash flows expected to result from the use of these assets. The estimated cash flows are then adjusted to the present value using an appropriate discount rate.

**iv. Property dilapidations**

As part of the Company's property leasing arrangements there is often an obligation to repair damage which is incurred during the life of the lease. When calculating the dilapidations provision, management considers the condition of the property and makes estimates of the costs required to return leased properties to their required condition.

The Company has not made any significant critical judgements in the preparation of the financial statements.

**4 TURNOVER**

The Directors consider there to be only one class of business. Turnover is entirely derived in the UK.

**5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019 £000	2018 £000
Bank deposit interest receivable	20	-
Interest receivable from group undertakings	<u>248</u>	<u>122</u>
	<u>268</u>	<u>122</u>

**6 OTHER INTEREST PAYABLE AND SIMILAR CHARGES**

	2019 £000	2018 £000
Interest payable to group undertakings	<u>2,106</u>	<u>1,495</u>
	<u>2,106</u>	<u>1,495</u>

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7 (LOSS)/PROFIT BEFORE TAXATION**

(Loss)/profit before taxation is stated after charging / (crediting) the following amounts:

	2019 £000	2018 £000
Staff costs (excluding charges from third parties):		
- wages and salaries	22,534	886
- social security costs	2,434	83
- other pension costs (note 22)	1,277	102
	<u>26,245</u>	<u>1,071</u>
 Auditors' remuneration:		
- statutory audit of the Company	120	3
- taxation services	35	10
- other advisory services	-	35
Profit on disposal of tangible assets	(16)	-
Depreciation of tangible assets	1,310	5
Amortisation of intangible assets	8,483	-
Rentals and hire charges:		
- property	3,480	50
- hire of plant and machinery	15	7
Charitable donations	<u>9</u>	<u>-</u>

**8 TAX ON (LOSS)/PROFIT**

**8 (a) Taxation – Analysis of charge in the year**

	2019 £000	2018 £000
<b>Current tax:</b>		
UK corporation tax on the (loss)/profit for the year	745	(226)
Adjustment in respect of prior years	<u>(10)</u>	<u>37</u>
Total current tax charge/(credit) for the year	<u>735</u>	<u>(189)</u>
 <b>Deferred tax:</b>		
Origination and reversal of timing differences	(67)	-
Adjustment in respect of prior years	(2)	(1)
Effect of changes in tax rate	<u>26</u>	<u>-</u>
Total deferred tax credit for the year	<u>(43)</u>	<u>(1)</u>
 <b>Tax on (loss)/profit</b>	<u>692</u>	<u>(190)</u>

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8 TAX ON (LOSS)/PROFIT (CONTINUED)**

**8 (b) Taxation – Reconciliation of tax charge**

Tax assessed for the year is higher (2018 – lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018 – 19%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit before tax	<u><b>(6,253)</b></u>	<u><b>3,255</b></u>
(Loss)/profit multiplied by the standard rate of tax in the UK of 19% (2018 – 19%)	<b>(1,188)</b>	<b>618</b>
<b>Effects of:</b>		
Use of tax losses	<b>(71)</b>	<b>-</b>
Group relief	<b>-</b>	<b>(190)</b>
Income not subject to tax	<b>-</b>	<b>(950)</b>
Expenses not deductible for tax purposes	<b>1,937</b>	<b>332</b>
Change in tax rate	<b>26</b>	<b>-</b>
Adjustments in respect of prior periods	<u><b>(12)</b></u>	<u><b>-</b></u>
<b>Tax charge/(credit) for the year</b>	<u><b>692</b></u>	<u><b>(190)</b></u>

**8 (c) Taxation – Factors that may affect future tax charges**

The Finance Act 2016 introduced a reduction in the main rate of corporation tax from 19% to 17% with effect from 1 April 2020. This reduction was substantively enacted on 6 September 2016 and therefore the deferred tax asset at the balance sheet date has been calculated using a rate of 17%.

In November 2019, a change to the UK corporation tax rate was announced to cancel the future reduction in corporation tax rate from 19% to 17%. However, this change was not substantively enacted at 31 December 2019 and has not therefore been reflected in these financial statements.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9 INTANGIBLE ASSETS**

	Goodwill £000	Customer Relationships £000	Software £000	Total £000
<b><u>Cost</u></b>				
At 1 January 2019	-	-	-	-
On hive-up of subsidiaries (note 28)	51,040	5,612	-	56,652
Additions	-	-	174	174
At 31 December 2019	51,040	5,612	174	56,826
<b><u>Accumulated amortisation</u></b>				
At 1 January 2019	-	-	-	-
Charge for the year	6,588	1,892	3	8,483
At 31 December 2019	6,588	1,892	3	8,483
<b><u>Net book amount</u></b>				
At 31 December 2019	44,452	3,720	171	48,343
At 31 December 2018	-	-	-	-

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 TANGIBLE ASSETS**

	Leasehold Property	Equipment, Fixtures and Fittings	Motor Vehicles	Total
	£000	£000	£000	£000
<b><u>Cost</u></b>				
At 1 January 2019	-	27	-	27
On hive-up of subsidiaries (note 28)	6,525	5,022	1,468	13,015
Additions	1,993	868	362	3,223
Disposals	(180)	(114)	(180)	(474)
	<u>8,338</u>	<u>5,803</u>	<u>1,650</u>	<u>15,791</u>
At 31 December 2019				
	<u>8,338</u>	<u>5,803</u>	<u>1,650</u>	<u>15,791</u>
<b><u>Accumulated depreciation</u></b>				
At 1 January 2019	-	6	-	6
On hive-up of subsidiaries (note 28)	5,405	4,405	943	10,753
Charge for the year	673	357	280	1,310
Disposals	(164)	(73)	(176)	(413)
	<u>5,914</u>	<u>4,695</u>	<u>1,047</u>	<u>11,656</u>
At 31 December 2019				
	<u>5,914</u>	<u>4,695</u>	<u>1,047</u>	<u>11,656</u>
<b><u>Net book amount</u></b>				
At 31 December 2019	<u>2,424</u>	<u>1,108</u>	<u>603</u>	<u>4,135</u>
At 31 December 2018	<u>-</u>	<u>21</u>	<u>-</u>	<u>21</u>

**11 OPERATING LEASES**

The future minimum commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2019	2018	2019	2018
	£000	£000	£000	£000
Payable within one year	3,867	-	300	-
Payable within two to five years	11,115	-	244	-
Payable after five years	5,687	-	-	-
	<u>20,669</u>	<u>-</u>	<u>544</u>	<u>-</u>

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12 INVESTMENTS**

<u>Cost</u>	Investment in subsidiaries £000
At 1 January 2019	100,344
Additions	57,280
Disposals on hive up of subsidiaries (note 28)	<u>(100,344)</u>
At 31 December 2019	<u>57,280</u>

In the opinion of the Directors the value of the investments in the subsidiaries is not less than the aggregate amount shown in the balance sheet.

During the year, the Company acquired the issued share capital of Millbrook Distribution and Spares Limited, Plumbase Limited, Gas Centre Holdings Limited and Bathroom Centre Limited. The total consideration was £57,280,000.

Details of the Company's investments in subsidiaries are shown in note 25.

**13 INVENTORIES**

	2019 £000	2018 £000
Goods for resale	<u>19,702</u>	<u>-</u>

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Inventory recognised in cost of sales during the year as an expense was £123,183,000 (2018 - £Nil).

Goods for resale are stated after provisions for impairment of £2,337,000 (2018 - £Nil). The provision for impairment movement in the year was a debit of £650,000 (2018 - £Nil).

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14 DEBTORS**

	2019 £000	2018 £000
Trade debtors	21,610	-
Amounts owed by group undertakings	38,777	4,806
Other debtors	29	4
Corporation tax	401	1,382
Deferred tax asset (note 18)	192	1
Prepayments and accrued income	2,103	142
	<u>63,112</u>	<u>6,335</u>

Amounts owed by group undertakings includes a loan of £34,311,000 (2018 - £4,300,000) which is unsecured and bears interest at a rate of 2.25% per annum over the National Westminster Bank Plc base rate and is repayable on demand. The remaining amounts owed by group undertakings of £4,466,000 (2018 - £506,000) are unsecured, interest free and repayable on demand.

Trade debtors are stated after provisions for impairment of £387,000 (2018 - £Nil). A charge of £165,000 (2018 - £Nil) was recognised during the year.

**15 CREDITORS – Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	12,211	-
Amounts owed to group undertakings	3,027	6,010
Other creditors	363	-
Taxation and social security	552	67
Accruals and deferred income	9,492	283
	<u>25,645</u>	<u>6,360</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**16 CREDITORS – Amounts falling due within more than one year**

	2019 £000	2018 £000
Amounts owed to group undertakings	139,053	48,835
	<u>139,053</u>	<u>48,835</u>

Amounts owed to group undertakings includes a loan of £139,053,000 (2018 - £48,835,000) which is unsecured and bears interest at a rate of 2.25% per annum over the National Westminster Bank Plc base rate. There is an unconditional right to defer the repayment of the loan and this has been invoked as at 31 December 2019.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**17 PROVISIONS FOR LIABILITIES**

	2019 £000	2018 £000
At 1 January	-	-
Profit and loss charge	1,598	-
On hive-up of subsidiaries (note 28)	2,848	-
Utilised during the year	-	-
	<hr/>	<hr/>
At 31 December	<b>4,446</b>	<b>-</b>

The provision relates to dilapidation costs arising on leased buildings. The provision is expected to be utilised between 2020 and 2040 as the leases expire.

**18 DEFERRED TAX**

The deferred tax asset movement is as follows:

	2019 £000	2018 £000
At 1 January	1	-
On hive-up of subsidiaries (note 28)	148	-
Credited to the profit and loss account	43	1
	<hr/>	<hr/>
At 31 December	<b>192</b>	<b>1</b>

The deferred tax asset is comprised as follows:

	2019 £000	2018 £000
Accelerated capital allowances	91	-
Tax losses	63	-
Other short term timing differences	38	1
	<hr/>	<hr/>
	<b>192</b>	<b>1</b>

**19 CALLED UP SHARE CAPITAL**

	2019 £000	2018 £000
<u>Allotted and fully paid</u>		
Equity:		
10,000 (2018 – 10,000) ordinary shares of £1 each	<hr/> <b>10</b>	<hr/> <b>10</b>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

**UK PLUMBING SUPPLIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**20 MERGER RESERVE**

	2019 £000	2018 £000
At 1 January	-	-
On hive-up of subsidiaries (note 28)	(16,704)	-
Amortisation in the year	<u>2,194</u>	<u>-</u>
At 31 December	<u>(14,510)</u>	<u>-</u>

**21 EMPLOYEES**

The average number of persons employed (excluding those employed by third parties) by the Company in the UK during the year was:

	2019 No.	2018 No.
Selling, warehousing and distribution	536	-
Management and administration	<u>99</u>	<u>14</u>
	<u>635</u>	<u>14</u>

**22 POST-EMPLOYMENT BENEFITS**

**Defined contribution pension scheme**

The Company makes contributions to a defined contribution scheme covering its employees. The Company's pension cost for the defined contribution scheme for the year was £1,277,000 (2018 - £102,000). An amount of £155,000 (2018 - £Nil) is included in other creditors at the balance sheet date, representing contributions accrued but not paid until after the balance sheet date.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23 DIRECTORS' EMOLUMENTS**

**23 (a) Emoluments of the Directors of UK Plumbing Supplies Limited**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Aggregate emoluments (including amounts paid to third parties)	<b>1,416</b>	<b>1,063</b>

**23 (b) Particulars of emoluments**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Emoluments of the highest paid Director, excluding pension contributions	<b>449</b>	<b>363</b>

No Directors (2018 - None) accrued benefits in the year under the defined benefit pension schemes. The accrued pension benefit of the highest paid Director under the defined benefit schemes was £Nil at 31 December 2019 (2018 - £Nil). Three Directors (2018 - three) accrued benefits under money purchase schemes. Company contributions to money purchase schemes in respect of these Directors were £73,000 (2018 - £65,000).

**24. RELATED PARTY TRANSACTIONS**

The Company rents property on an arm's length commercial basis from a Director, Mr A Hogg and from a pension scheme he is a beneficiary of. The annual lease payments were £135,000 (2018 - £Nil).

**25 PARENT AND SUBSIDIARY UNDERTAKINGS**

The ultimate parent undertaking is Blackfriars Corporation, an American company incorporated in the State of Delaware.

The immediate parent undertaking is Marlowe Holdings Investments Limited, which is a wholly owned subsidiary of Marlowe Holdings Limited, a company registered in England. Marlowe Holdings Limited is the smallest and largest group to consolidate the financial statements of UK Plumbing Supplies Limited and copies of the financial statements of Marlowe Holdings Limited may be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

**UK PLUMBING SUPPLIES LIMITED**  
**(FORMERLY PLUMBING AND HEATING INVESTMENTS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25 PARENT AND SUBSIDIARY UNDERTAKINGS (CONTINUED)**

The Company owns directly or indirectly the entire issued share capital of the companies listed below:

<b><u>Subsidiary Name</u></b>	<b><u>Activity</u></b>
Bathroom Centre Limited *	Wholesale distribution of plumbing and heating products
G B Willbond Limited	Dormant Company
Gallery Bathrooms Limited *	Dormant Company
Gas Centre Holdings Limited	Holding Company
Gas Centre Limited *	Wholesale distribution of plumbing and heating products
Heating Plumbing Supplies Group Limited	Holding Company
Heating Plumbing Supplies Limited *	Dormant Company
Heating Studio Limited *	Dormant Company
Millbrook Distribution and Spares Limited	Wholesale distribution of plumbing and heating products
Plumbase Limited	Wholesale distribution of plumbing and heating products
Plumbcity Limited	Dormant Company
Plumbclick Limited *	Dormant Company
Plumbclick.co.uk Limited *	Dormant Company
Plumbing and Heating Investments Limited (formerly UK Plumbing Supplies Limited)	Dormant company
Plumbstop Limited	Dormant Company
Plumbstore (Plumbing + Heating Supplies) Limited	Dormant Company

\* Shares held by subsidiary company.

The registered office for all of the Company's subsidiaries is Quayside 2a Wilderspool Park, Greenalls Avenue, Stockton Heath, Cheshire, WA4 6HL, with the exception of Plumbstore (Plumbing + Heating Supplies) Limited which has a registered office of Unit 2, Block 2, Alderston Way, Righead Industrial Estate, Bellshill, ML4 3LT.

**UK PLUMBING SUPPLIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**26 POST BALANCE SHEET EVENTS**

On 1 January 2020, the Company changed its name from Plumbing and Heating Investments Limited to UK Plumbing Supplies Limited. On the same date, one of the Company's subsidiary companies changed its name from UK Plumbing Supplies Limited to Plumbing and Heating Investments Limited.

On 1 January 2020, as part of a restructuring exercise, the entire trade and assets of Bathroom Centre Limited, Gas Centre Limited and Millbrook Distribution and Spares Limited were hived up into the Company. These subsidiary companies became dormant from that date.

Since March 2020 the UK has been affected by the Covid-19 pandemic. The Company has put in place protective measures to allow it to continue to trade safely and has reviewed its operations to ensure any negative financial impact on the Company is minimised.

**27 SUBSIDIARY AUDIT EXEMPTION**

The Directors confirm that the subsidiary companies Bathroom Centre Limited, G B Willbond Limited, Gas Centre Holdings Limited, Gas Centre Limited, Heating Plumbing Supplies Limited, Heating Plumbing Supplies Group Limited, Millbrook Distribution and Spares Limited, Plumbcity Limited, Plumbing and Heating Investments Limited (formerly UK Plumbing Supplies Limited), Plumbstop Limited and Plumbstore (Plumbing + Heating Supplies) Limited are entitled to the audit exemption under section 479A of the Companies Act 2006 for the year ended 31 December 2019 and that the members have not required the company to obtain an audit of its financial statements for the financial year in question in accordance with section 476 of the Companies Act 2006.

Under section 479C of the Companies Act 2006, the parent company Marlowe Holdings Limited guarantees all the outstanding liabilities which the subsidiary companies as listed above are subject to as of the end of the year ending 31 December 2019. The guarantee is effective until all the outstanding liabilities have been satisfied in full.

**UK PLUMBING SUPPLIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**28 SUBSIDIARY HIVE-UP**

On 1 January 2019, the trade and assets of G B Willbond Limited, Heating Plumbing Supplies Limited, Plumbcity Limited, Plumbing and Heating Investments Limited (formerly UK Plumbing Supplies Limited), Plumbstop Limited and Plumbstore (Plumbing + Heating Supplies) Limited were transferred to the Company at market value amounting to £100,344,000.

The net assets transferred, fair value adjustments made and goodwill generated on hive-up were as follows:

	£000
Tangible assets	2,262
Stock	16,534
Trade and other receivables	30,138
Cash and bank	9,171
Trade and other payables	(31,117)
	<hr/>
Net assts transferred	26,988
<b>Fair value adjustments</b>	
Customer relationships intangible assets recognised	<hr/> 5,612
	<hr/>
Fair value of net assets acquired	32,600
	<hr/>
Goodwill arising on hive-up	51,040
	<hr/>
Merger reserve arising on hive-up	16,704
	<hr/>
Investment disposal arising on hive-up	<hr/> 100,344