

USI Plumbing Ltd

Report and Financial Statements

28 September 2013



Registered Number: 3681531

DIRECTORS

Anthony Lovallo
Kevin Teague

AUDITORS

BDO LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5RU

REGISTERED OFFICE

Old Mill Lane
Low Road
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Leeds
LS10 1RB

Registered Number: 3681531

USI Plumbing Ltd

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USI Plumbing Ltd

Directors' Report

The directors submit their report together with the audited financial statements of USI Plumbing Ltd (the "Company") for the year ended 28 September 2013

Principal Activity

The company's principal activity during the year was the holding of investments

On 17 December 2012, the company was sold by its immediate parent, USI Mayfair Ltd to UKIH Ltd a subsidiary undertaking of USI Mayfair Ltd for £1. Subsequently and also on 17 December 2012, the company was sold by UKIH Ltd to JBOXUK Ltd, a newly formed subsidiary of UKIH Ltd for £1

On 12 December 2012, an agreement was signed (with a completion date of 20 December 2012) whereby the company sold its subsidiary undertaking, The Spring Ram Corporation plc and remaining subsidiaries, to HLD Capital Ltd (a third party company) for a consideration of £1

Re-registration to a private limited company

On 18 December 2012 the company was re-registered as a private company USI Plumbing Limited

Principal risks and uncertainties

As a holding company, the principle risk facing the company is exposure to volatility in the carrying value of its investments

Business review

As noted above, the company is a holding company and its activities are limited to services provided to its subsidiaries and as such a business review is not relevant to this company

Key performance indicators

Due to the nature of the business, key performance indicators are not applicable

Results and Dividends

The loss for the year ended 28 September 2013 amounted to £1,686,000 (2012 – loss of £56,931,000) and is dealt with as shown in the profit and loss account

The directors do not recommend payment of a dividend

Directors

The directors who served the company during the year were as follows

Anthony Lovallo

Philip White (Resigned 17 May 2013)

Kevin Teague (Appointed 17 May 2013)

The group has made qualifying third party indemnity provisions for the benefit of its directors and officers

USI Plumbing Ltd


Directors' Report

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, have expressed their willingness to continue in office and a resolution to appoint them will be put to the members at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

On Behalf of the Board


K Teague
Director
25th JUNE 2014

USI Plumbing Ltd

Statement of Directors' Responsibilities in Respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

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

USI Plumbing Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF USI PLUMBING LIMITED.

We have audited the financial statements of USI Plumbing Limited for the year ended 28 September 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeUKprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 September 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

USI Plumbing Ltd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE USI PLUMBING LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

BDO LLP

Linda Cooper (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Leeds

United Kingdom

25 JUNE 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

USI Plumbing Ltd

Profit and Loss Account

For the year ended 28 September 2013

	<i>Notes</i>	<i>2013</i> £000	<i>2012</i> £000
Administrative expenses		66	(4)
Provision for impairment	4	<u>(1,702)</u>	<u>(56,853)</u>
Operating loss		(1,636)	(56,857)
Interest payable to group companies		(35)	(138)
Foreign exchange (loss) / profit		(15)	64
Loss on ordinary activities before taxation	2	<u>(1,686)</u>	<u>(56,931)</u>
Taxation	3	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation transferred to reserves		<u>(1,686)</u>	<u>(56,931)</u>

All amounts relate to continuing activities

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the loss for the year of £1,686,000 (2012 – loss of £56,931,000)

USI Plumbing Ltd

Balance Sheet
at 28 September 2013
Registered No 3681531

	<i>Notes</i>	<i>2013</i>	<i>2012</i>
		£000	£000
Fixed assets			
Investment in subsidiaries	4	-	-
Cash at bank		-	-
Creditors – amounts falling due within one year			
Amounts due to group undertakings		(3,441)	(1,755)
Net current liabilities		(3,441)	(1,755)
Total assets less current liabilities		(3,441)	(1,755)
		<u>(3,441)</u>	<u>(1,755)</u>
Capital and reserves			
Share capital	5	1,050	1,050
Share premium account	6	103,868	103,868
Profit and loss account	6	(108,359)	(106,673)
		<u>(3,441)</u>	<u>(1,755)</u>

Approved by the Board of Directors and authorised for issue on 25th June 2014


Kevin Teague
Director

USI Plumbing Ltd

Notes to the Financial Statements at 28 September 2013

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements contain information about USI Plumbing Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in non-EEA group accounts of a larger group

Going concern

At the balance sheet date, the company has net current liabilities of £3,441,000. The financial statements have been prepared on a going concern basis as the parent company has indicated that it will provide such funds as are necessary for the company to continue as a going concern for a period not less than 12 months from the signing of these financial statements

Investments

Investments are stated at cost less provisions for impairment

Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax, with the following exceptions

provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

USI Plumbing Ltd

Notes to the Financial Statements at 28 September 2013

1. Accounting policies (continued)

Foreign currency

Transactions denominated in foreign currency are translated at the rates of exchange prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange prevailing on the balance sheet date. Exchange gains or losses are reflected in the profit and loss account.

Related party transactions

The Company has taken advantage of the exemptions available within FRS 8 to wholly-owned subsidiaries to not disclose transactions with group undertakings. There are no other related party transactions.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Jacuzzi Brands Inc. and the company is included in consolidated financial statements.

2. Loss on ordinary activities before taxation

This is stated after charging

	2013	2012
	£000	£000
Auditor's remuneration – audit of the financial statements	-	16
Directors' remuneration	-	-

Auditor's remuneration for 2013 was paid by other group companies.
No salaries or wages have been paid to employees during the year.

3. Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.5% (2012: 25%). The differences are explained below.

	2013	2012
	£000	£000
Loss on ordinary activities before tax	(1,686)	(56,931)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2012: 25%)	(396)	(14,232)
Non-deductible impairment provision	400	14,213
Non-taxable income	(15)	-
Group relief surrendered for nil consideration	11	19
Current tax charge	-	-

USI Plumbing Ltd

Notes to the Financial Statements at 28 September 2013

4. Investment in subsidiary undertakings

	<u>Shares in subsidiaries</u>	<u>Provisions</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 29 September 2012	102,961	(102,961)	-
Novation of intercompany balance	1,702	-	1,702
Profit and loss account	-	(1,702)	(1,702)
At 28 September 2013	<u>104,663</u>	<u>(104,663)</u>	<u>-</u>

On 12 December 2012, an agreement was signed (with a completion date of 20 December 2012) whereby the company sold its subsidiary undertaking, The Spring Ram Corporation plc and remaining subsidiaries, to HLD Capital Ltd (a third party company) for a consideration of £1. As this investment had been previously written down to a nil value, no gain or loss was recorded on this transaction.

As part of the sale of its subsidiary, an intercompany balance due to Jacuzzi (UK) Predecessor Ltd from Jacuzzi UK Group plc was novated to the company and this balance has been treated as an investment and immediately impaired to nil.

5. Share capital

	<u>2013</u>	<u>2012</u>
	<u>£000</u>	<u>£000</u>
Allotted, called-up and fully paid		
1,050,001 ordinary shares of £1 each	<u>1,050</u>	<u>1,050</u>

6. Reconciliation of movements in reserves and shareholder's funds

	<u>Share Capital</u>	<u>Share Premium Account</u>	<u>Profit and Loss Account</u>	<u>Total Shareholder's Funds</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 1 October 2011	1,050	82,098	(49,742)	33,406
Issue of shares	-	21,770	-	21,770
Loss for the year	-	-	(56,931)	(56,931)
At 29 September 2012	1,050	103,868	(106,673)	(1,755)
Loss for the year	-	-	(1,686)	(1,686)
At 28 September 2013	<u>1,050</u>	<u>103,868</u>	<u>(108,359)</u>	<u>(3,441)</u>

USI Plumbing Ltd

Notes to the Financial Statements
at 28 September 2013

7. Parent undertaking and ultimate controlling party

The ultimate parent company and ultimate controlling party is Jupiter Holding I Corp, a company incorporated in the United States of America

At 28 September 2013 the parent company of the smallest and largest group of which the company is a member and for which group accounts were prepared, was Jacuzzi Brands Inc , a company incorporated in the United States of America. Copies of these group financial statements can be obtained from Apollo Management LP, 10250, Constellation Road, Suite 2900, Los Angeles, CA 90067