

Registered number: 01318148

BRISTAN GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022



BRISTAN GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	M Mongan R Zondervan (appointed 28 June 2022) A Jackson (appointed 10 August 2023)
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, 2022

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 results showed sales of £77.6m (2021 - £78.3m). The DIY market continued to be the company's focus and this showed continued growth of 16%, that was offset by a decline in independent wholesale sales. The company's distribution and administration costs decreased by 1.4% inline with the decrease in sales.

At the end of the year, the company had net current assets of £58.3m compared to £48.4m in 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 14.2% 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 organisations.

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.

Ukraine War

In February 2022, Russian troops invaded Ukraine. This occurred when the global economy was already facing the impact of rising commodity prices and increased raw material costs, resulting from surging consumer demand as the COVID-19 pandemic eased. The war in Ukraine led to fuel shortages in Europe and exacerbated the inflationary impact on the UK economy. To counter these rising costs, the company introduced two selling price increases in 2022.

BRISTAN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

S172 STATEMENT**Engaging with stakeholders**

The Company places significant importance on the strength of its relationships with its stakeholders to promote the sustainable success of the Company. In order to fulfil their duties, the Directors of the Company and the Group take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Such considerations ensure the business is making decisions with a longer term view in mind and with the sustainable success of the business at its core.

Employees

Our employees are key to the success of the Company and the Directors want them to be successful. The Directors ensure understanding of colleague progression interest through talent review and succession plans.

The Directors engage and listen to employees in several ways including town hall meetings, team meetings and the monthly Company newsletter. Key areas of focus include Business performance updates, Employee wellbeing, Product compliance and Charitable activities.

Suppliers

The Company performs a risk assessment on all suppliers. This assessment determines the level of mitigation required. The Company ensures that chosen suppliers are treated fairly to help develop long lasting relationships. This includes a focus on health and safety, sustainability, and payment practices.

Communities

In 2020 the employees of the Company chose Birmingham's Childrens Hospital to be the charity partner to work with for the period to 2022. The Company runs charitable activities and events to raise awareness and funds. In January 2023, the charity partner changed to MIND – the mental health charity.

Government and Regulators

The Company engages with the government and regulators to understand their views and priorities and to share the views and experience of the Company to help shape future policy.

The Company engages through a range of industry consultations, forums, meetings and conferences to communicate the views of the Business to the relevant policy makers. Key areas of focus are compliance with laws and regulations, health and safety and product safety. All products are compliant with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations alongside the UKCA and CE approval where applicable. Water delivery products are compliant to the UK Water Regulations and all wooden products are compliant to the UK/EU timber regulations. The Company are also in the process of ensuring that all timber is FSC or PEFC approved.

The Company works closely with HMRC in relation to importing products and continues to build that relationship to ensure ongoing operation. The Company receives regular updates on legal and regulatory developments.

BRISTAN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

KEY PERFORMANCE INDICATORS

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

	2022 £'000	2021 £'000	Change £'000
Turnover	77,606	78,260	-654
Gross profit	36,185	38,553	-2,368
Operating profit	10,270	12,320	-2,050
Return on capital employed	16.5%	23.0%	-6.5 pts

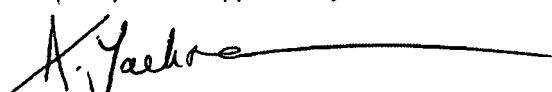
The company's turnover declined slightly by 0.8% in 2022 due to the company rationalising other product lines and exiting non core product categories. The market volume decline was offset by the two selling price increases in 2022.

Gross profit fell by £2.4m (6.1%) as the company absorbed some of the higher purchase costs following the fall in value of the Sterling in 2022 and an adverse currency movement of £1.7m on the company's USD forward contracts. Higher overhead costs driven by high inflation added to the fall in gross profit leading to operating profits declining by £2.1m

Return on capital employed ('ROCE') is operating profit expressed as a percentage of net assets. The ROCE decreased to 16.5% in 2022 from 23.0% in 2021 as a result of the decrease in gross profit % and an increase in net assets. Net assets increased by £8.8m mainly driven by £7.4m increase in intercompany balances.

This report was approved by the board on 25/10/2023

and signed on its behalf.


A Jackson
Director

BRISTAN GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

The directors present their report and the financial statements for the year ended December 31, 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £8,755,229 (2021 - £10,931,203).

The directors do not recommend that a final dividend is paid (2021 - £15m).

DIRECTORS

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

M Mongan
R Zondervan (appointed 28 June 2022)
A Jackson (appointed 10 August 2023)
S Ooi (resigned 22 June 2022)

POLITICAL CONTRIBUTIONS

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

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 and 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.

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 £687,573 in 2022 (2021 - £459,840). 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.

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. More information on how the directors engage with the employees can be found in the S172 statement in the strategic report section.

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.

DIRECTORS' INDEMNITY AND LIABILITY INSURANCE

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the current year and through to the date of approval of the financial statements. The Company purchased and maintained directors' and officers' liability insurance in respect of the Directors throughout the financial year and at the date of approval of these financial statements.

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

	2022	2021
tCo2e / £m	5.98	9.52

Total consumption (kWh) figures

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

	2022 (kWh)	2021 (kWh)
Grid-supplied electricity	770,704	776,522
Natural gas	370,494	596,172
Transportation	1,037,609	1,980,938
	2,178,807	3,353,632

Total emission (tCO2e) figures

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

	2022 (tCO2e)	2021 (tCO2e)
Grid-supplied electricity (scope 2)	149	165
Gaseous and other fuels (scope 1)	315	580
	464	745

Bristan Group has also launched our Innovate initiative. This is an excellent way to engage employees and tap into their ideas and insights. By encouraging employees to suggest new ways to innovate products, services, and ESG activities, Bristan Group is fostering a culture of sustainability and driving continuous improvement. One of the ideas taken forward from 2022 submissions is to move from paper fitting instructions to on box QR codes. This is estimated to reduce paper usage by 18.5 Tonnes per annum and is in plan to implement by the end of 2023. Partnering with the Carbon Trust on the Route to Net Zero Standard is another impressive step in Bristan Group's sustainability journey. The three tier framework of the Route to Net Zero Standard will also provide a clear and measurable way to track progress on this journey.

Bristan Group is committed to reducing its impact on the environment year-on-year through energy saving and renewable initiatives. Bristan Group's sustainable focuses have included the following activities:

- Bringing in hybrid vehicles across 20% of our fleet
- Installing Electric Vehicle (EV) charging points
- Our UKAS accredited lab recycles 90% of the water used to carry out the endurance testing of our products

BRISTAN GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Outside of these initiatives, Bristan Group is a zero-landfill company:

- 137 tonnes of waste cardboard in our warehouse operations are recycled into new cardboard every year
- Our ceramic waste is crushed and used as non-specification road building material
- All broken pallets and wood waste is used to make new pallets, shredded and used in animal bedding or even converted to wood pellets for heating
- Boxes used in our automated machines are made of 100% recycled paper.

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, 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;
- make judgments and accounting estimates that are reasonable and prudent;
- 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; 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 and to 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.

BRISTAN GROUP LIMITED

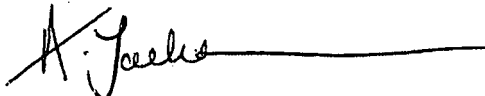
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 25/10/2023

and signed on its behalf.


A Jackson
Director

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 2022 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, including 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 2022; 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 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 2022 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.

BRISTAN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTAN GROUP LIMITED

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 possible overstatement in revenue recognition and management bias in applying accounting estimates. Audit procedures performed by the engagement team included:

- Enquires of management and those charged with governance around actual and potential litigation and claims, any instances of non-compliance with laws and regulations and about any instances of actual or alleged fraud;
- Auditing the risk of management override of controls, including through testing unusual journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant accounting transactions outside the normal course of business;
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing minutes of meetings with those charged with governance.

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.

Chris Fletcher

Chris Fletcher (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

Date: 25/10/2023

BRISTAN GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Note	2022 £	2021 £
Turnover	4	77,605,762	78,260,109
Cost of sales		(41,420,418)	(39,707,179)
Gross profit		36,185,344	38,552,930
Distribution costs		(2,520,184)	(2,800,201)
Administrative expenses		(23,395,102)	(23,471,525)
Other operating income		-	39,019
Operating profit	6	10,270,058	12,320,223
Interest receivable and similar income	10	312,739	108,707
Interest payable and similar expenses	11	(291,512)	(202,898)
Profit before tax		10,291,285	12,226,032
Tax on profit	12	(1,536,056)	(1,294,829)
Profit for the financial year		8,755,229	10,931,203

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, 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	3,741,266	4,938,765
Tangible assets	15	3,626,764	4,152,937
		<u>7,368,030</u>	<u>9,091,702</u>
Current assets			
Stocks	16	16,057,330	21,121,612
Debtors: amounts falling due within one year	17	58,427,724	51,160,840
Cash at bank and in hand	19	529,225	744,494
		<u>75,014,279</u>	<u>73,026,946</u>
Creditors: amounts falling due within one year	20	(16,707,344)	(24,622,840)
Net current assets		<u>58,306,935</u>	<u>48,404,106</u>
Total assets less current liabilities		<u>65,674,965</u>	<u>57,495,808</u>
Creditors: amounts falling due after more than one year	21	(1,597,177)	(2,298,518)
Provisions for liabilities			
Other provisions	24	(1,734,637)	(1,609,368)
		<u>(1,734,637)</u>	<u>(1,609,368)</u>
Net assets		<u>62,343,151</u>	<u>53,587,922</u>
Capital and reserves			
Called up share capital	25	60,000	60,000
Profit and loss account	26	62,283,151	53,527,922
Total Equity		<u>62,343,151</u>	<u>53,587,922</u>

The financial statements on pages 12 to 38 were approved and authorised for issue by the board and were signed on its behalf on 25/10/2023.


A Jackson
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, 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
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 and January 1, 2022	60,000	53,527,922	53,587,922
Comprehensive income for the year			
Profit for the year	-	8,755,229	8,755,229
Total comprehensive income for the year	-	8,755,229	8,755,229
At December 31, 2022	60,000	62,283,151	62,343,151

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, 2022**

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 2022 and these financial statements may be obtained from the Secretary, Masco Corporation, 17450 College Parkway, Livonia, Michigan 48152, United States of America.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.3 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.

2.4 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 is credited to the Statement of comprehensive income ("Income statement") over a period of 2 years.

Other intangible assets

Other intangible assets, include purchased trademarks, patents and domain names, are amortised over 10 years. Computer software is disclosed within the other intangible assets 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.

Amortisation is charged to administration expenses within the statement of comprehensive income.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.5 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 statement of comprehensive income during the period in which they are incurred.

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 statement of comprehensive income.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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 statement of comprehensive income for the period.

2.8 Trade debtors

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

2.9 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 statement of comprehensive income.

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 statement of comprehensive income within cost of sales. The company does not currently apply hedge accounting for foreign exchange derivatives.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.10 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.

2.11 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 statement of comprehensive income.

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

2.12 Dividends

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

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.13 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 statement of comprehensive income for the period.

2.14 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 statement of comprehensive income 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.

2.15 Interest income

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

2.16 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.17 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.

2.18 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.19 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.

2.20 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 statement of comprehensive income.

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.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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:

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 stocks, as well as applying assumptions around anticipated saleability of finished goods.

Contract Claims

The company has contracts with customers that entitle them to make claims for the difference between the price paid and the contract sales out price. Customers have three months to make the claim. The value of the provision is calculated monthly by applying an assumption of past claims (based on a rolling 12 month set of data) which is adjusted for the number of trading days.

4. TURNOVER

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	76,347,650	76,432,958
Rest of Europe	823,936	1,349,513
Rest of the world	434,176	477,638
	<u>77,605,762</u>	<u>78,260,109</u>

5. OTHER OPERATING INCOME

The Coronavirus Job Retention Scheme ("CJRS") ceased in 2021, so there were no claims during 2022 (2021 - £39,019). At the year end there was no outstanding claims (2021 - £NIL).

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

6. OPERATING PROFIT

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

	2022 £	2021 £
Research and development charged as an expense	687,573	459,840
Tangible fixed asset depreciation	957,344	996,758
Amortisation of intangible assets, including goodwill	1,414,059	1,395,638
Exchange differences	303,293	(1,427,391)
Other operating lease rentals	960,508	916,114
Defined contribution pension costs	740,213	759,483
Impairment of stocks	787,993	1,448,157
Cost of stock recognised in cost of sales	41,150,481	39,836,596

7. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	91,400	82,895
	<u>91,400</u>	<u>82,895</u>

Fees payable to the Company's auditors and their associates in respect of:

	2022 £	2021 £
Tax compliance services	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

8. EMPLOYEES

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

	2022 £	2021 £
Wages and salaries	9,907,613	9,867,577
Social security costs	1,103,203	988,661
Other pension costs	740,213	759,483
	<u>11,751,029</u>	<u>11,615,721</u>

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

	2022 No.	2021 No.
Production	6	4
Selling and distribution	213	200
Administration	56	56
	<u>275</u>	<u>260</u>

9. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	325,830	495,750
Company contributions to defined contribution pension schemes	20,846	16,389
Compensation for loss of office as director	79,750	-
	<u>426,426</u>	<u>512,139</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £268,782 (2021 - £325,371).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,596 (2021 - £12,100).

The total accrued pension provision of the highest paid director at December 31, 2022 amounted to £NIL (2021 - £NIL).

The aggregate amounts accrued (excluding shares) under long term incentive schemes is £57,112 (2021 - £110,167) of which £57,112 (2021 - £NIL) 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

	2022 £	2021 £
Interest receivable from group companies	312,739	108,688
Other interest receivable	-	19
	<u>312,739</u>	<u>108,707</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Unwind of discounting	95,993	9,652
Loans from group undertakings	46,105	5,288
Finance leases and hire purchase contracts	149,414	187,958
	<u>291,512</u>	<u>202,898</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

12. TAX ON PROFIT

Tax charge included in profit

	2022 £	2021 £
CORPORATION TAX		
UK corporation tax on profit for the year	1,833,000	1,412,004
Adjustments in respect of previous periods	(125,687)	-
TOTAL CURRENT TAX	1,707,313	1,412,004
DEFERRED TAX		
Origination and reversal of timing differences	(247,515)	100,177
Impact of change in tax rates	-	(195,202)
Adjustments in respect of previous years	76,258	(22,150)
TOTAL DEFERRED TAX	(171,257)	(117,175)
TAXATION ON PROFIT	1,536,056	1,294,829

Reconciliation of tax charge

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%). The differences are explained below:

	2022 £	2021 £
Profit before tax	10,291,285	12,226,032
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%)	1,955,344	2,322,946
EFFECTS OF:		
Expenses not deductible for tax purposes, including goodwill amortisation	273,852	259,886
Origination and reversal of timing differences	-	(195,202)
Adjustments in respect of previous years	(49,429)	(22,150)
Change to tax rates current vs deferred	(59,404)	24,043
Losses claimed as group relief for no consideration	(584,307)	(1,094,694)
TOTAL TAX CHARGE FOR THE YEAR	1,536,056	1,294,829

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 would 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

	2022 £	2021 £
Dividends paid to parent company	-	15,000,000
	<u>-</u>	<u>15,000,000</u>

The company paid a £15,000,000 dividend on 16 November 2021 to Masco Corporation Limited the company's sole shareholder. No dividend was paid in 2022.

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

14. INTANGIBLE ASSETS

	Other Intangible assets £	Goodwill £	Negative goodwill £	Total £
Cost				
At 1 January 2022	4,304,048	64,490,536	(1,643,000)	67,151,584
Additions	225,789	-	-	225,789
Disposals	(72,039)	-	-	(72,039)
At December 31, 2022	4,457,798	64,490,536	(1,643,000)	67,305,334
Amortisation				
At 1 January 2022	3,723,234	60,132,585	(1,643,000)	62,212,819
Charge for the year on owned assets	226,215	1,187,844	-	1,414,059
On disposals	(62,810)	-	-	(62,810)
At December 31, 2022	3,886,639	61,320,429	(1,643,000)	63,564,068
Net book value				
At December 31, 2022	571,159	3,170,107	-	3,741,266
At December 31, 2021	580,814	4,357,951	-	4,938,765

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

15. TANGIBLE ASSETS

	Leasehold property £	Plant and machinery £	Office equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2022	11,526,453	7,052,964	2,099,229	59,672	20,738,318
Additions	-	-	-	479,949	479,949
Disposals	-	(65,481)	(434,859)	-	(500,340)
Transfers between classes	-	180,896	72,096	(252,992)	-
At December 31, 2022	11,526,453	7,168,379	1,736,466	286,629	20,717,927
Depreciation					
At 1 January 2022	9,015,747	5,933,460	1,636,174	-	16,585,381
Charge for the year on owned assets	576,323	252,770	128,251	-	957,344
Disposals	-	(54,087)	(397,475)	-	(451,562)
At December 31, 2022	9,592,070	6,132,143	1,366,950	-	17,091,163
Net book value					
At December 31, 2022	1,934,383	1,036,236	369,516	286,629	3,626,764
At December 31, 2021	2,510,706	1,119,504	463,055	59,672	4,152,937

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

	2022 £	2021 £
Land and buildings	1,246,667	1,620,667
	<u>1,246,667</u>	<u>1,620,667</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

16. STOCKS

	2022 £	2021 £
Raw materials and consumables	88,600	83,200
Work in progress	17,874	7,962
Finished goods and goods for resale	15,950,856	21,030,450
	<u>16,057,330</u>	<u>21,121,612</u>

Stocks are stated after provision for impairment of £1,609,530 (2021 - £1,896,071).

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

17. DEBTORS: Amounts falling due within one year

	2022 £	2021 £
Trade debtors	10,490,000	9,509,862
Amounts owed by group undertakings	45,569,003	38,152,793
Deferred taxation (note 18)	884,422	713,165
Foreign currency derivative contracts	-	703,881
Prepayments and accrued income	1,484,299	2,081,139
	<u>58,427,724</u>	<u>51,160,840</u>

Trade debtors are stated after provision for impairment of £14,105 (2021 - £14,579). 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 £56,059,003 (2021 - £47,662,655).

Amounts owed by group undertakings are amounts owed by the parent company totalling £45,569,003 (2021 - £38,152,793), 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, 2022**

18. DEFERRED TAXATION

	Deferred tax £
At January 1, 2022	713,165
Movement in year	171,257
At December 31, 2022	884,422

The deferred tax asset is made up as follows:

	2022 £	2021 £
Depreciation in excess of capital allowances	865,780	731,304
Other timing differences	18,642	(18,139)
	884,422	713,165

There are no unused tax losses.

The net deferred tax asset expected to reverse in 2023 is £26,068.

19. CASH AT BANK AND IN HAND

	2022 £	2021 £
Cash at bank and in hand	529,225	744,494
	529,225	744,494

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

20. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	11,708,918	18,915,516
Amounts owed to group undertakings	276,544	979,585
Corporation tax	1,833,000	1,467,159
Other taxation and social security	946,205	854,598
Obligations under finance lease and hire purchase contracts	650,315	611,759
Other creditors	92,791	114,160
Derivative financial instruments (Note 23)	380,105	-
Accruals and deferred income	819,466	1,680,063
	<u>16,707,344</u>	<u>24,622,840</u>

Financial liabilities held at amortised cost included above total £12,728,568 (2021 - £20,621,020).

Amounts owed to group undertakings are 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.

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

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	1,524,484	2,174,790
Other creditors	72,693	123,728
	<u>1,597,177</u>	<u>2,298,518</u>

BRISTAN GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

22. FINANCE LEASES AND HIRE PURCHASE

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	761,162	761,162
Between 1-5 years	1,633,190	2,394,352
	<u>2,394,352</u>	<u>3,155,514</u>
Less finance charges included	(219,553)	(368,962)
	<u>2,174,799</u>	<u>2,786,552</u>

The total finance lease creditor of £2,174,799 (2021 - £2,786,552) 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 instruments measured at fair value through profit or loss comprise contracted forward foreign exchange contracts with a total Pounds Sterling value at December 31, 2022 of £37,714,302 (2021 - £24,414,992). The commitments at December 31, 2022 were \$45,500,000 at a forward value of £38,094,408 with monthly deal dates from January 2023 to December 2023 (at December 31, 2021 the commitments were \$33,000,000 at a forward value of £23,711,111 with monthly deal dates from January 2021 to August 2022). 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, 2022	1,117,095	492,273	1,609,368
Charged to profit or loss	611,876	95,993	707,869
Utilised in year	(582,600)	-	(582,600)
At December 31, 2022	1,146,371	588,266	1,734,637

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 £605,373 (2021 - £620,252).

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**

	2022 £	2021 £
Authorised, allotted, called up and fully paid		
60,000 (2021 - 60,000) Ordinary shares of £1.00 each	60,000	60,000

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, 2022 is £34,645 (2021 - £136,619). 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:

	2022 No.	2021 No.
Outstanding as at January 1	5,527	7,026
Granted during the year	3,760	2,640
Vested during the year	(2,354)	(2,750)
Expired during the year	(1,225)	(1,389)
	<u>5,708</u>	<u>5,527</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 statement of comprehensive income.

The carrying amount of the liability relating to the cash-settled share-based awards as at December 31, 2022 is £188,321 (2021 - £273,879).

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 £740,213 (2021 - £759,483). Contributions totalling £82,977 (2021 - £8,920) 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, 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	726,553	757,322
Later than 1 year and not later than 5 years	1,434,544	1,880,929
	<u>2,161,097</u>	<u>2,638,251</u>

The 2022 and 2021 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.

Included in administrative expenses are consultancy fees amounting to £81,900 for services rendered to the company by a person related to a director of the company.

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).