

BB Investments

Report and Accounts

30 September 2002

Registered Number: 02534721



BB Investments

Registered No. 02534721

DIRECTORS

Steven C. Barre

SECRETARY

Trusec Limited

AUDITORS

Ernst & Young LLP

P.O. Box 61

Cloth Hall Court

14 King Street

Leeds LS1 2JN

REGISTERED OFFICE

2 Lambs Passage

London EC1Y 8BB

BB Investments

Directors' Report

The directors present their report and the audited accounts of BB Investments (the "Company") for the year ended 30 September 2002.

Principal Activity

The principal activity of the Company is that of a group investment company.

Results and Dividends

The profit for the year, after taxation, amounted to \$641,790 and is dealt with as shown in the profit and loss account.

The directors do not recommend payment of a dividend.

Directors and their Interests

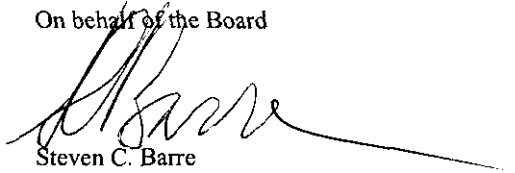
The directors currently in office and those who served during the year are those listed on page 1.

There are no directors interests requiring disclosure under the Companies Act 1985.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Steven C. Barre
Director

10 July 2003

BB Investments

Statement of Directors' Responsibilities in Respect of the Accounts

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

BB Investments

Report of the Auditors

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF BB INVESTMENTS

We have audited the Company's financial statements for the year ended 30 September 2002 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BB Investments

Report of the Auditors

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP

Registered Auditor

Leeds

10 July 2003

BB Investments

Profit and Loss Account
for the year ended 30 September 2002

	<i>Notes</i>	<i>2002</i>	<i>2001</i>
Interest receivable from group undertakings		\$ 659,430	\$ 659,422
Interest payable to group undertakings		<u>(17,640)</u>	<u>(17,642)</u>
Profit on ordinary activities before taxation		641,790	641,780
Taxation	3	<u>—</u>	<u>—</u>
Retained profits for the year		<u>\$ 641,790</u>	<u>\$ 641,780</u>

Movements in reserves are set out in note 6.

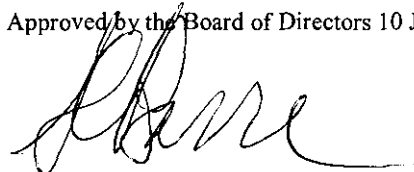
There are no recognised gains or losses other than the profit for the year ended 30 September 2002 of \$641,790 (2001 - \$641,780).

BB Investments

Balance Sheet at 30 September 2002

	<i>Notes</i>	<i>30 September 2002</i>	<i>30 September 2001</i>
Fixed Assets:			
Investments – loans to group undertakings		\$12,529,510	\$ 12,968,916
Current Assets:			
Amounts due from group undertakings		4,583,717	3,484,881
Corporation tax debtor		<u>168,184</u>	<u>168,184</u>
		4,751,901	3,653,065
Creditors: amounts falling due within one year			
Amounts due to group undertakings		<u>1,324,898</u>	<u>1,307,258</u>
		1,324,898	1,307,258
Net current assets		<u>3,427,003</u>	<u>2,345,807</u>
Total assets less current liabilities		15,956,513	15,314,723
Creditors: amounts falling due after one year			
Amounts due to group undertakings		<u>336,071</u>	<u>336,071</u>
Total assets less liabilities		<u>\$15,620,442</u>	<u>\$ 14,978,652</u>
Capital and reserves			
Called-up share capital	5	\$ 725,400	\$ 725,400
Share premium account		9,594,965	9,594,965
Profit and loss account	6	<u>5,300,077</u>	<u>4,658,287</u>
Equity shareholders' funds		<u>\$ 15,620,442</u>	<u>\$ 14,978,652</u>

Approved by the Board of Directors 10 July 2003



Steven C. Barre
Director

BB Investments

Notes to the Accounts
at 30 September 2002

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

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 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. Deferred tax assets are recognised to the extent that it is more likely than not that the asset will be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enabled or subsequently enacted at the balance sheet date.

Related party transactions

The Company has taken advantage of the exemption under FRS 8 available to wholly-owned subsidiaries not to disclose transactions with group undertakings.

Cash flow statement

The Company has taken advantage of the exemptions under FRS 1 (Revised) available to wholly-owned subsidiaries not to prepare a cash flow statement.

2. Profit on ordinary activities before taxation

This is stated after charging:

	2002	2001
Auditors' remuneration	—	—
Directors' remuneration	—	—

Fees for audit services provided by Ernst & Young LLP to the Company have been borne by the ultimate parent undertaking. It is not practicable to ascertain what proportion of such fees relates to the Company.

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Notes to the Accounts
at 30 September 2002

3. Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30.00% (2001: 30.00%). The differences are reconciled below:

	2002	2001
Profit/(loss) on ordinary activities before tax	\$ 641,790	\$ 641,780
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30.00% (2001: 30.00%)	192,537	192,534
Group Relief	(192,537)	(192,534)
Current tax charge	—	—

4. Deferred tax

No deferred tax asset or liability arises in the period and the balance at 30 September 2002 is nil.

5. Share capital

	2002	2001
Authorized, Allotted and fully paid: 450,000 "C" Ordinary shares of £1 each	\$ 725,400	\$ 725,400

6. Movements in reserves

	<i>Called-up Share Capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total Shareholder's Funds</i>
At 1 October 2000	\$ 725,400	\$ 9,594,965	\$ 4,016,507	\$ 14,336,872
Profit for the year	—	—	641,780	641,780
At 1 October 2001	725,400	9,594,965	4,658,287	14,978,652
Profit for the year	—	—	641,790	641,790
At 30 September 2002	\$ 725,400	\$ 9,594,965	\$ 5,300,077	\$ 15,620,442

BB Investments

Notes to the Accounts
at 30 September 2002

7. Parent undertaking and ultimate controlling party

The ultimate parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Jacuzzi Brands, Inc. (formerly U.S. Industries, Inc.) ("JBI"), a U.S. corporation. The parent undertaking of the smallest group for which group accounts are prepared is USI Mayfair Ltd., registered in England and Wales. Copies of JBI's accounts and USI Mayfair Ltd.'s accounts can be obtained from JBI at 777 South Flagler Drive; West Tower; Suite 1108; West Palm Beach, FL 33401.