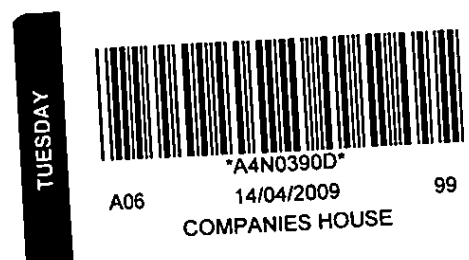


# **BB Investments**

## **Report and Financial Statements**

29 September 2007

Registered Number: 02534721



## **BB Investments**

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Registered No. 02534721

### **DIRECTORS**

Mark B Prince  
Anthony Lovallo

### **SECRETARY**

Trusec Limited

### **AUDITORS**

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds LS11 5QR

### **REGISTERED OFFICE**

2 Lambs Passage  
London EC1Y 8BB

## BB Investments

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### Directors' Report

The directors present their report and the audited financial statements of BB Investments (the "Company") for the year ended 29 September 2007.

#### Principal Activity

The company's principal activity during the year was that of a group investment company.

#### Principal risks and uncertainties

Due to the nature of the business there are no material risks or uncertainties which require disclosure.

#### Change of Ultimate Parent Company

On 7 February 2007 Apollo Management LP acquired the previous ultimate holding company Jacuzzi Brands Inc.

#### Key performance indicators

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

#### Results and Dividends

The profit for the year, after taxation, amounted to \$2,248,972 (2006 - \$1,828,898) 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:

Steven C Barre (Resigned 11 June 2007)

Jeffrey B Park (Resigned 11 June 2007)

Mark B Prince (Appointed 11 June 2007)

Scott Rowe (Appointed 11 June 2007)

On 9 January 2009 Scott Rowe resigned as a director of the company and Anthony Lovallo was appointed a director of the company.

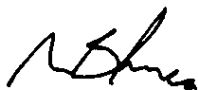
#### Audit Information

The directors confirm that steps have been taken to establish relevant audit information and that so far as the directors are aware, there is no relevant audit information of which the auditors are unaware.

#### Auditors

Resolutions excluding the Company from the obligation to hold annual general meetings and to re-elect auditors annually have been passed by the Company.

On behalf of the Board



Mark B Prince  
Director

2009

9 April

## **BB Investments**

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### **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 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 standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BB INVESTMENTS.**

We have audited the company's financial statements for the year ended 29 September 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 6. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BB INVESTMENTS (continued)

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 September 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP.

Ernst & Young LLP  
Registered Auditor  
Leeds

9<sup>th</sup> April 2009

## BB Investments

### Profit and Loss Account for the year ended 29 September 2007

	<i>Notes</i>	<i>2007</i>	<i>2006</i>
Administrative expenses		\$ -	\$ 45,517
Operating loss	2	-	(45,517)
Foreign exchange loss		-	(38,567)
Interest receivable from group undertakings		2,289,995	1,921,193
Interest payable to group undertakings		(41,023)	(8,211)
Profit on ordinary activities before taxation		2,248,972	1,828,898
Taxation	3	-	-
Profit on ordinary activities after taxation transferred to reserves		<u>\$ 2,248,972</u>	<u>\$ 1,828,898</u>

### Statement of Total Recognised Gains and Losses

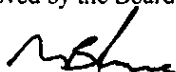
There are no recognised gains or losses other than the profit for the year ended 29 September 2007 of \$2,248,972 (2006 - \$1,828,898)

## BB Investments

### Balance Sheet at 29 September 2007

	<i>Notes</i>	<i>2007</i>	<i>2006</i>
		\$	\$
Current Assets:			
Amounts due from group undertakings (due after one year)		41,340,227	39,572,241
		<u>41,340,227</u>	<u>39,572,241</u>
Creditors: amounts falling due within one year			
Amounts due to group undertakings		<u>712,484</u>	<u>1,193,470</u>
Net current assets		<u>40,627,743</u>	<u>38,378,771</u>
Total assets less current liabilities		40,627,743	38,378,771
		<u>\$ 40,627,743</u>	<u>\$ 38,378,771</u>
Capital and reserves			
Share capital	4	17,925,718	17,925,718
Share premium account	5	9,594,965	9,594,965
Profit and loss account	5	<u>13,107,060</u>	<u>10,858,088</u>
		<u>\$ 40,627,743</u>	<u>\$ 38,378,771</u>

Approved by the Board of Directors *9 April* 2009



Mark B Prince

Director

## **BB Investments**

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### **Notes to the Financial Statements at 29 September 2007**

#### **1. Accounting policies**

##### **Accounting convention**

The financial statements 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to 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 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 enacted 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.

## BB Investments

### Notes to the Financial Statements at 29 September 2007

#### 2. Operating loss

This is stated after charging:

	2007	2006
Auditors' remuneration – audit of the financial statements	-	\$39,600
Directors' remuneration	-	-

Auditor's remuneration in 2007 was borne by another group company. No salaries or wages have been paid to employees during the year.

#### 3. Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30.00% (2006: 30.00%). The differences are reconciled below:

	2007	2006
Profit on ordinary activities before tax	\$ 2,248,972	\$ 1,828,898
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30.00% (2006: 30.00%)	674,692	548,669
Currency translation gain not taxable/deductible	-	11,570
Group relief claimed for nil consideration	(674,692)	(560,239)
Current tax charge	\$ -	\$ -

#### 4. Share capital

	2007	2006
Authorised, allotted, called-up and fully paid: 10,096,575 "C" Ordinary shares of £1 each	\$ 17,925,718	\$ 17,925,718

The authorised share capital of the Company also includes 1,000,000 "A" ordinary and "B" ordinary shares, which have not been allotted.

#### 5. Reconciliation of shareholder's funds and movements in reserves

	Share Capital	Share Premium Account	Profit and Loss Account	Total Shareholder's Funds
At 1 October 2005	\$ 17,925,718	\$ 9,594,965	\$ 9,029,190	\$ 36,549,873
Profit for the year	-	-	1,828,898	1,828,898
At 30 September 2006	\$ 17,925,718	\$ 9,594,965	\$ 10,858,088	\$ 38,378,771
Profit for the year	-	-	2,248,972	2,248,972
At 29 September 2007	\$ 17,925,718	\$ 9,594,965	\$ 13,107,060	\$ 40,627,743

## **BB Investments**

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### **Notes to the Financial Statements at 29 September 2007**

#### **6. Parent undertaking and ultimate controlling party**

The ultimate parent company and ultimate controlling party is Jupiter Holding I Corp following the acquisition of Jacuzzi Brands Inc by Apollo Management LP on 7 February 2007.

At 29 September 2007 the ultimate parent company, and 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, Suite2900, Los Angeles, CA 90067.