

BB Investments

Directors' Report and Financial Statements

Year Ended

30 September 2022

Company Number 02534721



BB Investments

Company Information

Directors

S D Firmin
D E Simcox
J T Weintraub

Registered number

02534721

Registered office

Jacuzzi Group Head Office
Turnberry Park Road
Gildersome
Morley
Leeds
England
LS27 7LE

Independent auditor

BDO LLP
3 Hardman Street
Manchester
M3 3AT

BB Investments

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BB Investments

Directors' Report For the Year Ended 30 September 2022

The directors present their report together with the audited financial statements for the year ended 30 September 2022.

Principal activity

The company's principal activity is the holding of intercompany balances.

Directors

The directors who served during the year were:

S D Firmin
D E Simcox
J T Weintraub

Qualifying third party indemnity provisions

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

Going concern

The directors, having considered the current performance of the wider Jacuzzi group, conclude that the entity has access to financial support from the group to meet its obligations as they fall due for a period of at least 12 months and that amounts receivable from group undertakings are recoverable should they be called upon and therefore that it is appropriate to prepare these financial statements on a going concern basis.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

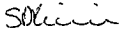
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16th November 2023 and signed on its behalf.

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S D Firmin
Director

BB Investments

Directors' Responsibilities Statement For the Year Ended 30 September 2022

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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Independent Auditor's Report to the Members of BB Investments

Qualified opinion on financial statements

In our opinion except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BB Investments ("the Company") for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion

The directors have not performed an assessment of the recoverability of the amounts owed by group undertakings of \$69,638k in the Statement of Financial Position as at 30 September 2022 and 30 September 2021 as required by Financial Reporting Standard 102. We are unable to satisfy ourselves by alternative means concerning the recoverability of these balances and are therefore not able to conclude on whether any impairment is required to this. Consequently, we were unable to determine whether any adjustments to these amounts or related adjustments to these amount were necessary. In addition, where any adjustment to the intercompany balances are to be required, the Directors' Report would also need to be amended.

Our audit opinion on the financial statements for the year ended 30 September 2021 was modified accordingly. Our audit opinion on the financial statements for the year ended 30 September 2022 is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures together with being unable to obtain sufficient appropriate evidence over the recoverability of the intercompany group balances in the current year.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 qualified opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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Independent Auditor's Report to the Members of BB Investments (continued)

Conclusions relating to going concern

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.

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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the recoverability of amounts owed by group undertakings for which an impairment loss may be required for the current and prior year.

We have concluded that where other information refers to the amounts owed by group undertakings balance or related balances for the year in any of the aforementioned years ended 30 September 2022 and 2021, it may be materially misstated for the same reason.

Other Companies Act 2006 reporting

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Arising solely from the limitation on the scope of our work relating to the recoverability of amounts owed by group undertakings, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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Independent Auditor's Report to the Members of BB Investments (continued)

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

BB Investments

Independent Auditor's Report to the Members of BB Investments (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

The company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We did not identify such laws and regulations due to the nature of the company as a non-trading holding company.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls including the posting of fraudulent journals.

Our procedures in respect of the above included testing all journal entries throughout the year by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matter described in the basis for qualified opinion section of our report.

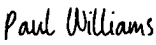
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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Independent Auditor's Report to the Members of BB Investments (continued)

Use of our report

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

DocuSigned by:

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Paul Williams (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
16 November 2023

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

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Statement of Comprehensive Income For the Year Ended 30 September 2022

	2022 \$000	2021 \$000
Interest receivable and similar income	2,459	2,459
Foreign exchange gain/(loss)	263	(68)
Profit before tax	2,722	2,391
Tax on profit	-	11
Profit for the financial year	2,722	2,402

There was no other comprehensive income for 2022 (2021 - \$Nil).

The notes on pages 10 to 14 form part of these financial statements.

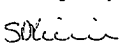
BB Investments
Registered number: 02534721

Statement of Financial Position
As at 30 September 2022

	Note	2022 \$000	2022 \$000	2021 \$000	2021 \$000
Current assets					
Debtors: amounts falling due within one year	5	69,638		67,179	
Creditors: amounts falling due within one year	6	(1,264)		(1,527)	
Net assets			68,374		65,652
Capital and reserves					
Called up share capital	7		17,926		17,926
Share premium account	8		9,595		9,595
Profit and loss account	8		40,853		38,131
Total equity			68,374		65,652

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16th November 2023

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S D Firmin
Director

The notes on pages 10 to 14 form part of these financial statements.

BB Investments

Notes to the Financial Statements For the Year Ended 30 September 2022

1. General information

BB Investments is a private unlimited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities is disclosed in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of 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 functional and presentational currency of these financial statements is US dollars. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Going concern

The company's net asset position is comprised amounts due from group undertakings and amounts owed to group undertakings. The going concern status of the company is therefore dependent on these assets being recoverable.

The directors, having considered the current performance of the wider Jacuzzi group, conclude that the entity has access to financial support from the group to meet its obligations as they fall due for a period of at least 12 months and that amounts receivable from group undertakings are recoverable should they be called upon and therefore that it is appropriate to prepare these financial statements on a going concern basis.

2.3 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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Notes to the Financial Statements For the Year Ended 30 September 2022

2. Accounting policies (continued)

2.4 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be 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 asset and settle the liability simultaneously.

2.5 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BB Investments

Notes to the Financial Statements For the Year Ended 30 September 2022

2. Accounting policies (continued)

2.6 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Current and deferred taxation

Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 reversed by the statement of financial position, 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 other 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 values 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 reporting date.

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Notes to the Financial Statements For the Year Ended 30 September 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether the amounts owed by group undertakings are recoverable. Factors taken into consideration in reaching such a decision include making an assessment of the financial position, and the forecast future financial position, of these group undertakings; and other group companies.
- Determine whether the company will continue as a going concern. Factors taken into consideration in reaching such a decision include making an assessment of the financial position, and the forecast future financial position of the company, and other relevant group companies.

4. Employees

The company has no employees other than directors, who did not receive any remuneration (2021 - \$Nil).

5. Debtors: amounts falling due within one year

	2022 \$000	2021 \$000
Amounts owed by group undertakings	69,638	67,179

Amounts owed by group undertakings incur interest at 4.25% and are repayable on demand. Interest of \$2,459,000 (2021 - \$2,459,000) was charged in the year.

6. Creditors: amounts falling due within one year

	2022 \$000	2021 \$000
Amounts owed to group undertakings	1,264	1,527

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

7. Share capital

	2022 \$000	2021 \$000
Authorised, allotted, called up and fully paid 10,096,575 "C" ordinary shares of £1.00 each	17,926	17,926

BB Investments

Notes to the Financial Statements For the Year Ended 30 September 2022

8. Reserves

The company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

9. Guarantees and commitments

On 20 January 2010, in connection with a recapitalisation of the company's parent, the company was party to an agreement to grant a fixed and floating charge over all its assets and an assignment over its receivables as security for a \$35,117,646 term loan between Jacuzzi Luxco S.A.R.L., and debt holders, shareholders and the management team of the company's parent.

10. Related party transactions

The company has taken advantage of the exemption allowed under Section 1AC.35 of FRS102 not to disclose transactions with other members of the group who are wholly owned.

11. Ultimate parent undertaking and controlling party

The company is a subsidiary of Jacuzzi Luxco S.A.R.L, a company incorporated in Luxembourg. The ultimate parent company is Investindustrial VI L.P. which is incorporated in the United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Jacuzzi Holding LLC, incorporated in the United States of America. The consolidated accounts of this company are available to the public and may be obtained from Aquarius Invest Holdco LLC, 375 Park Avenue, 23rd Floor, New York, NY 10022. No other group accounts include the results of the company.