

**Merlyn Industries Limited**

**Annual Report  
Financial Year ended 30<sup>th</sup> March 2025**

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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

R Collins  
J Eyre  
C Soden  
M Kilcommons  
T Willcocks

**Bankers**

Allied Irish Bank  
3 High Street  
Kilkenny

AIB Commercial Services  
Ltd  
Bankcentre Branch  
Ballsbridge  
Dublin 4

Lloyds Bank plc  
Customer Currency  
Accounts  
PO Box 63  
Two Brindley Place  
Birmingham  
B1 2AB

**Secretary and Registered  
Office**

R Collins  
Merlyn House  
Purcellsinch Industrial Estate  
Dublin Road  
Kilkenny

Registered Number: 318543

**Independent Auditors**

BDO  
Statutory Audit Firm  
Block 3  
Miesian Plaza  
50-58 Baggot Street Lower  
Dublin 2  
D02 Y754

## **DIRECTORS' REPORT**

The directors present their report and the audited statements of the company for the financial year ended 30 March 2025.

### **Statement of directors' responsibilities**

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

Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in The UK and Republic of Ireland and Irish law).

Under Irish law, the directors shall not approve the Company financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing these 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 the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a 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:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

### **Accounting records**

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and employment of competent persons. The accounting records are kept at Merlyn House, Purcellsinch Industrial Estate, Dublin Road, Kilkenny.

### **Principal activities**

The company is principally engaged in the distribution of bathroom equipment.

### **Review of the business and future developments**

Despite global economic challenges, we have successfully navigated through uncertainties and delivered a robust performance for the year. Our financial results for the year demonstrate our resilience and operational efficiency. We remain cautiously optimistic about the coming year and while economic conditions remain volatile, our strong financial foundation, strategic positioning, and commitment to innovation provide a solid basis for continued growth.

## DIRECTORS' REPORT - continued

### Results

The profit for the year and the appropriation thereof is set out on page 9. Dividends of £11,000,000 (2024: £9,000,000) have been paid.

### Research and development

The company engaged in research and development during the year. Details of the company's expenditure on research activities are included in note 6 to the financial statements. During the year all development costs were expensed.

### Directors

The directors of the company during the year ended 30 March 2025, all of whom have been directors for the whole of the year ended on that date, unless indicated otherwise, were as follows:-

R Collins  
J Eyre  
C Soden  
M Kilcommons  
T Willcocks

### Financial risk management

The company's operations expose it to some financial risks that include liquidity risk and interest rate risk.

#### *Credit risk*

Credit risk is managed by the employment of credit controllers.

#### *Liquidity risk*

The company manages its cash flows to ensure that there is sufficient cash to meet working capital and strategic needs.

#### *Interest rate and cash flow risk*

The company regularly reviews the interest rate receivable on its cash balances in order to get the best return on its surplus bank balance. The directors will continually monitor the appropriateness of this policy.

#### *Foreign exchange risk*

The company and group are exposed to foreign exchange risks arising from the fact it sells the majority of its product in a different currency to its input costs. The directors continually monitor foreign exchange exposures and where appropriate, enter into foreign exchange forward contracts to manage currency exposures.

### Auditors

The Auditors, BDO, have indicated their willingness to continue in office, and a Resolution that they be re-appointed will be proposed at the Annual General Meeting.

### Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- As far as they are aware, there is no relevant audit information of which the company's statutory 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 statutory auditors are aware of that information.

**DIRECTORS' REPORT - continued**

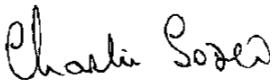
**Directors' compliance statement**

The directors acknowledge that they are responsible for securing the company's compliance with its relevant obligations.

The directors confirm that:

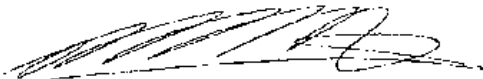
- 1) A compliance policy statement setting out the company's policies, that in our opinion are appropriate to the company, respecting compliance by the company with its relevant obligations has been drawn up.
- 2) Appropriate arrangements or structures that are designed to secure material compliance with the company's relevant obligations have been put in place.
- 3) A review of the arrangements and structures referred to at 2 above has been conducted during the financial year ended 30 March 2025.

**On behalf of the board**



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**C Soden**



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**M Kilcommons**

**Date: 14<sup>th</sup> January 2026**

**STATEMENT OF PROFIT AND LOSS ACCOUNT  
For the Financial year ended 30 March 2025**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERLYN INDUSTRIES LIMITED**

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Merlyn Industries Limited ('the Company') for the year ended 30 March 2025, which comprise the Balance Sheet as at 30 March 2025, the Statement of Profit and Loss Account, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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.

**STATEMENT OF PROFIT AND LOSS ACCOUNT  
For the Financial year ended 30 March 2025**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

**Matters on which we are required to report by exception**

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

**Respective responsibilities**

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set on page 3, 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 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 going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**For the Financial year ended 30 March 2025**

**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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://iaasa.ie/wp-content/uploads/2022/10/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/2022/10/Description_of_auditors_responsibilities_for_audit.pdf)  
This description forms part of our Auditors' Report.

**Other Matters**

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.



Gavin Smyth  
for and on behalf of  
**BDO**

Statutory Audit Firm  
Block 3  
Miesian Plaza  
50-58 Baggot Street Lower  
Dublin 2  
D02 Y754

Date: 14 January 2026

**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**For the Financial year ended 30 March 2025**

	Notes	2025 £	2024 £
<b>Turnover</b>	4	42,625,349	43,077,651
Cost of sales		<u>(23,057,921)</u>	<u>(23,051,749)</u>
<b>Gross Profit</b>		19,567,428	20,025,902
Net operating expenses	5	<u>(8,805,123)</u>	<u>(9,649,649)</u>
<b>Operating profit</b>	6	10,762,305	10,376,253
Interest payable and similar expenses	9	<u>(104,850)</u>	<u>(84,314)</u>
<b>Profit before taxation</b>		10,657,455	10,291,939
Tax on profit	10	<u>(1,382,483)</u>	<u>(1,260,045)</u>
<b>Profit retained for the year</b>		<u>9,274,972</u>	<u>9,031,894</u>

All amounts dealt with above relate to continuing activities.

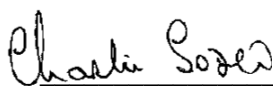
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the Financial year ended 30 March 2025**

	2025 £	2024 £
<b>Profit for the financial year</b>	9,274,972	9,031,894
Foreign exchange movements	<u>(12,874)</u>	<u>(109,954)</u>
<b>Total comprehensive income for the financial year</b>	<u>9,262,098</u>	<u>8,921,940</u>

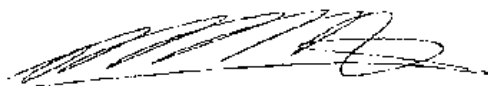
**BALANCE SHEET**  
**As at 30 March 2025**

	Notes	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	11	416,346	337,742
Intangible assets	12	<u>24,532</u>	<u>183,383</u>
		440,878	521,126
<b>Current assets</b>			
Stocks	13	8,516,130	6,583,978
Debtors	14	13,748,536	15,017,915
Cash at bank and in hand	15	<u>654,618</u>	<u>1,863,655</u>
		22,919,284	23,465,548
<b>Creditors - amounts falling due within one year</b>	16	<u>(9,348,252)</u>	<u>(8,236,862)</u>
<b>Net current assets</b>		<u>13,571,032</u>	<u>15,228,686</u>
<b>Net assets</b>		<u>14,011,910</u>	<u>15,749,812</u>
<b>Capital and reserves</b>			
Called up share capital – presented as equity	18	135	135
Capital redemption reserve fund	19	146	146
Profit and loss account	19	12,009,040	13,734,068
Translation reserve	19	<u>2,002,589</u>	<u>2,015,463</u>
<b>Total Equity</b>		<u>14,011,910</u>	<u>15,749,812</u>

The financial statements were approved and authorised for issue by the board:



**C Soden**  
Director



**M Kilcommons**  
Director

**Date: 14<sup>th</sup> January 2026**

The notes on pages 13 to 28 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**For the Financial year ended 30 March 2025**

	Called up share capital	Capital redemption reserve	Profit and loss account	Translation reserve	Hedging reserve	Total
	£	£	£	£	£	£
<b>Balance at 1 April 2023</b>	<b>135</b>	<b>146</b>	<b>13,702,174</b>	<b>2,125,417</b>	<b>-</b>	<b>15,827,872</b>
Profit for the financial year	-	-	9,031,894			9,031,894
Foreign exchange movements	-	-		(109,954)		(109,954)
Total comprehensive income for the financial year	-	-	9,031,894	(109,954)		8,921,940
						-
Dividend	-	-	(9,000,000)			(9,000,000)
	-	-	(9,000,000)	-	-	(9,000,000)
Total transactions recognised directly in equity						-
						-
<b>Balance at 30 March 2024</b>	<b>135</b>	<b>146</b>	<b>13,734,068</b>	<b>2,015,463</b>	<b>-</b>	<b>15,749,812</b>
Profit for the financial year			9,274,972			9,274,972
Foreign exchange movements				(12,874)		(12,874)
Total comprehensive income for the financial year	-	-	9,274,972	(12,874)		9,262,098
Dividend			(11,000,000)			(11,000,000)
Total transactions recognised directly in equity	-	-	(11,000,000)			(11,000,000)
<b>Balance at 30 March 2025</b>	<b>135</b>	<b>146</b>	<b>12,009,040</b>	<b>2,002,589</b>	<b>-</b>	<b>14,011,910</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial year ended 30 March 2025**

**1 General information**

Merlyn Industries Limited ('the company') engages in the distribution of bathroom equipment.

The company is incorporated as a Company Limited by Shares under registered number 318543 in the Republic of Ireland. The address of its registered office is Merlyn House, Purcellsinch Industrial Estate, Dublin Road, Kilkenny.

Merlyn Industries Limited's immediate parent is Norcros Group (Holdings) Ltd. Merlyn Industries Limited's ultimate parent and ultimate controlling party is Norcros plc a company incorporated in Great Britain and registered in England and Wales.

**2 Statement of compliance**

The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

**3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of operation**

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

**(b) Accounting reference date**

Irish company law permits a company to draw up financial statements to a date seven days either side of its accounting reference date. For operational reasons the Company has in the current financial year adopted an accounting period of 52 weeks, and as a result of this, the exact year end date was 30 March 2025. All references to the financial year therefore relate to the 52 weeks commencing on 1 April 2024.

In the previous year the accounting period was 52 weeks long, beginning on 3 April 2023 and ending on 31 March 2024.

**(c) Going concern**

The company meets its day to day working capital requirements through its cash reserves, and when required its bank facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these entity financial statements have been prepared on a going concern basis.

**(d) Foreign currency**

*(i) Functional and presentation currency*

The company's functional currency is Euro, the company's presentation currency is sterling denominated by the symbol "£".

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**3 Summary of significant accounting policies - continued**

**(d) Foreign currency – continued**

*(ii) 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 profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'other expensing expenses'.

The income statement and balance sheet of group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities at each reporting date are translated at the closing rate at the reporting date of the balance sheet; and
- income and expenses in the income statement and statement of comprehensive income are translated at average exchange rates for the year. Average exchange rates are only permissible if they approximate actual. The average exchange rates are a reasonable approximation of the cumulative effect of the rates on transaction dates.
- all resulting exchange differences are recognised in other comprehensive income. Resulting exchange differences are taken to a separate translation reserve within equity.

**(e) Revenue recognition**

*(i) Turnover*

Turnover is the amount of revenue derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value-added tax. Merlyn Industries Limited turnover comprises revenue arising from the sale of goods.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of company's sales channels have been met.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**3 Summary of significant accounting policies - continued**

**(f) Employee benefits**

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

*(i) Short term employee benefits*

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

*(ii) Post-employment benefits - defined contribution plan*

The company operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

**(g) Income tax**

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

*(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

*(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**3 Summary of significant accounting policies – continued**

**(g) Income tax – continued**

*(ii) Deferred tax - continued*

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**(h) Research and development**

Research expenditure is recognised as an expense as incurred. In line with IAS 38 “Intangible assets”, costs incurred relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Development costs are amortised using the straight line method over their estimated useful lives, which is normally between 3 and 7 years.

**(i) Tangible assets**

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised where appropriate.

*(i) Land and buildings*

Land and buildings include leasehold improvements. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

*(ii) Plant and equipment, fixtures and fittings and office equipment*

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

*(iii) Depreciation and residual values*

Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

– Leasehold improvements	25 years
– Fixtures and fittings	3-5 years
– Plant and equipment	3 years
– Motor vehicles	3 years
– Office equipment	3 years

The assets’ residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

*(iv) De-recognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in ‘other operating (losses)/gains’.

**(j) Intangible assets**

Intangible fixed assets purchased separately from a business are stated at cost less accumulated amortisation and impairment loss. Amortisation is provided to write off the cost of the intangible assets by equal instalments over their useful economic lives as follows:

– Development Expenditure	3 years
---------------------------	---------

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**3 Summary of significant accounting policies - continued**

**(k) Leased assets**

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

**(l) Impairment of non-financial assets**

At the end of each financial year date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value-in-use pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

**(m) Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

**(n) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**3 Summary of significant accounting policies - continued**

**(o) Provisions and contingencies**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- (i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and*
- (ii) Provision is not made for future operating losses*  
*Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.*
- (iii) Contingencies*  
*Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.*

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

**(p) Financial instruments**

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at market rate of interest for similar debt instrument.

Trade and other debtors, cash and cash equivalent, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**3 Summary of significant accounting policies - continued**

**(p) Financial instruments - continued**

(i) Financial assets - continued

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(q) Share capital presented as equity**

Ordinary shares are classified as equity. Shares recognised are recognised as proceeds received. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(r) Distributions to equity shareholders**

Dividends and other distributions to company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the company's shareholders.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**(s) Government grants**

Capital grants are credited to the government grants account when the related grant is received. Annual transfers to income are made from that account to amortise such grants on the same basis as the related assets are depreciated. Revenue based grants, including grants towards research and development expenditure, are credited to revenue in the year in which they accrue.

**3 Critical accounting judgements and estimation uncertainty**

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.

*Critical accounting estimates and assumptions*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*(i) Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment and note 3 for the useful economic lives for each class of assets.

*(ii) Provisions*

Provisions and estimates are continually evaluated and are based on historical experience and other factors. These provisions and estimates are subject to change as new information becomes available and may affect future operating results.

**4 Turnover**

Turnover is derived solely from the sale of goods.

	2025	2024
	£	£
Analysis of turnover by geographical market:		
Ireland	4,481,366	4,582,809
United Kingdom	37,163,274	37,702,081
Rest of Europe	980,709	792,761
	<u>42,625,349</u>	<u>43,077,651</u>

**5 Net operating expenses**

	2025	2024
	£	£
Net operating expenses are made up as follows:		
Distribution costs	1,032,330	900,622
Administration expenses	7,772,793	8,749,027
	<u>8,805,123</u>	<u>9,649,649</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**5 Net operating expenses (continued)**

*Exceptional items*

	2025	2024
	£	£
<b>Included within Administration expenses:</b>		
Costs in relation to new Enterprise Resource Planning system	773,319	-

£773,319 (2024: £nil) of costs were incurred for the implementation of a new Enterprise Resource Planning system.

**6 Operating profit**

	2025	2024
	£	£
The operating profit is stated after charging:		
Depreciation of tangible asset	140,932	119,186
Amortisation of intangible assets	58,836	96,841
Auditors' remuneration	59,308	50,707
Research and development	477,229	431,124
Operating lease expense	162,022	134,377

**7 Employees and directors**

**(i) Employees**

The average number of persons employed by the company, including executive directors, during the year is analysed below:

	Number Employed	Number Employed
	2025	2024
Administration	71	75
Selling and distribution	12	13
	<u>83</u>	<u>88</u>

The employment costs for all employees, including executive directors, comprise:-

	2025	2024
	£	£
Wages and salaries	4,260,250	4,315,485
Social welfare costs	507,587	468,913
Pension costs	184,950	161,551
Other compensation costs - company car/medical insurance	<u>45,592</u>	<u>38,587</u>
	<u>4,998,379</u>	<u>4,984,536</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

	2025 £	2024 £
<b>8 Employees and directors continued</b>		
<b>(ii) Directors</b>		
Emoluments	949,755	873,574
Contributions pension scheme	16,068	23,773
	<u>965,823</u>	<u>897,347</u>
Retirement benefits are accruing to 2 directors.		
<b>(iii) Key management compensation</b>		
Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:		
	2025 £	2024 £
Key management compensation	<u>1,282,573</u>	<u>912,327</u>
<b>9 Interest payable and similar expenses</b>	2025 £	2024 £
Interest (received)	(25)	(24)
Bank charges	104,875	84,339
	<u>104,850</u>	<u>84,315</u>
<b>10 Tax on profit</b>	2025 £	2024 £
<b>(a) Tax expense included in profit or loss:</b>		
<b>Current tax</b>		
Corporation tax	1,382,483	1,260,045
	<u>1,382,483</u>	<u>1,260,045</u>
<b>(b) Reconciliation of tax expense</b>	2025 £	2024 £
Profit before tax	<u>10,657,455</u>	<u>10,291,938</u>
Profit multiplied by the average rate of tax of 12.5% (2024: 12.5%)	1,332,182	1,286,492
Effects of:		
Prior Year (over) provision	-	(82,731)
Expenses not deductible for tax purposes	50,656	50,759
Other differences	(355)	5,525
Tax charge for year	<u>1,382,483</u>	<u>1,260,045</u>

**Factors that may affect future tax charges**

There were no factors that may affect futures tax charges.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

<b>11 Tangible assets</b>	Leasehold Improvements £	Office equipment £	Fixtures & fittings £	Plant & equipment £	Total £
Cost					
At 1 April 2024	629,406	215,565	76,016	87,958	1,008,945
Exchange Difference	(15,789)	(6,256)	(2,626)	(2,761)	(27,432)
Additions	5,204	89,857	75,542	58,224	228,827
Disposals	-	-	-	-	-
	<u>618,821</u>	<u>299,166</u>	<u>148,932</u>	<u>143,421</u>	<u>1,210,340</u>
Depreciation					
At 1 April 2024	466,188	133,970	32,605	38,440	671,203
Exchange Difference	(11,933)	(3,911)	(1,019)	(1,277)	(18,140)
Charge for the year	28,837	58,220	21,153	32,722	140,932
On Disposals	-	-	-	-	-
	<u>483,092</u>	<u>188,279</u>	<u>52,739</u>	<u>69,885</u>	<u>793,995</u>
<b>Net book value</b>					
At 31 March 2024	<u>163,218</u>	<u>81,595</u>	<u>43,411</u>	<u>49,518</u>	<u>337,742</u>
At 30 March 2025	<u>135,729</u>	<u>110,887</u>	<u>96,193</u>	<u>73,536</u>	<u>416,345</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**12 Intangible assets**

	Computer Software £	Total £
At 1 April 2024	353,464	353,464
Exchange Difference	(7,901)	(7,901)
Additions	17,314	17,314
Disposals	(114,248)	(114,248)
<b>At 30 March 2025</b>	<u>248,629</u>	<u>248,629</u>
Amortisation		
At 1 April 2024	170,081	170,081
Exchange Difference	(4,820)	(4,820)
Charge for the year	69,543	69,543
Disposals	(10,707)	(10,707)
<b>At 30 March 2025</b>	<u>224,097</u>	<u>224,097</u>
<b>Net book value</b>		
At 31 March 2024	<u>183,383</u>	<u>183,383</u>
At 30 March 2025	<u>24,532</u>	<u>24,532</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

<b>13 Stocks</b>	2025 £	2024 £
The amounts attributable to the different categories of stocks are as follows:-		
Finished goods	<u>8,516,130</u>	<u>6,583,978</u>

The cost of stocks has decreased significantly in the period due to lower shipping costs.

**14 Debtors - amounts falling due within one year**

	2025 £	2024 £
Trade debtors	1,194,935	1,080,927
Amounts owed by group undertakings	12,125,740	13,579,372
Prepayments	427,861	357,616
Deferred Tax (note 16)	<u>-</u>	<u>-</u>
	<u>13,748,536</u>	<u>15,017,915</u>

Trade debtors are after provision for impairment of £43,042 (2024: £85,140).

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

**15 Cash at bank and in hand**

	2025 £	2024 £
Bank accounts	<u>654,618</u>	<u>1,863,655</u>

**16 Creditors**

	2025 £	2024 £
<b>Amounts falling due within one year</b>		
Trade creditors	1,448,460	1,038,218
Amounts owed to group undertakings	1,428,676	1,544,797
Other creditors: -		
- VAT	1,921,172	1,652,648
- PAYE and PRSI	112,053	125,333
Corporation tax	3,011	91,332
Accruals	<u>4,434,880</u>	<u>3,784,534</u>
	<u>9,348,252</u>	<u>8,236,862</u>

Part of the amount owing to trade creditors is, or may be, secured by the reservation by the supplier of legal title to the goods supplied. The amounts secured in this way depend on the legal interpretation of legal contracts and cannot be readily determined.

Trade creditors are payable at various dates in the three months after the end of the financial year in accordance with the creditors usual and customary credit terms.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

<b>17 Deferred tax</b>	2025	2024
	£	£
Opening balance	-	16,435
Foreign exchange	-	(411)
Charge for year	-	(16,024)
Closing balance	-	-

The deferred tax balance primarily arises due to tax timing differences on provisions and fixed and intangible assets.

<b>18 Called up share capital – presented as equity</b>	2025	2024
	£	£
<b>Authorised</b>		
154 ordinary shares of €1 each (2024: 154 ordinary shares of €1 each)	135	135
	<u>135</u>	<u>135</u>
	2025	2024
	£	£
<b>Issued and fully paid - presented as equity</b>		
154 ordinary shares of €1 each (2024: 154 ordinary shares of €1 each)	135	135
	<u>135</u>	<u>135</u>

**19 Reserves**

A description of each reserve within equity has been outlined below:

**Capital redemption reserve fund**

This reserve arose as a result of the redemption of ordinary shares in prior years.

**Profit and loss account**

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years.

**Translation Reserve**

Exchange differences relating to the translation of the balance sheets of the Euro operations from their functional currency to the presentation currency (sterling) are recognised directly in other comprehensive income and accumulated in the translation reserve.

**20 Pension commitments**

The company operates a defined contribution scheme, the charge against profits of £184,951 (2024: £161,551) being the contributions payable by the company under the scheme in respect of the accounting year. Contributions outstanding at the year-end amounted to £15,608 (2024: £14,046).

**21 Invoice discounting facility**

The company has an invoice discounting facility with AIB Commercial Finance Limited, which is currently not used. The fund balance with AIB Commercial Finance Limited, which at 30 March 2025 was £40,471 (2024: £119,938), is included in cash at bank and on hand.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**22 Capital expenditure/commitments**

The company's commitments under operating leases are as follows:

	Motor vehicles £	Land and buildings £
Operating leases commitments payable:-		
- in one year or less	45,598	116,357
- in more than one year, but not more than 5 years	167,940	243,070
- in more than 5 years	-	
	213,538	359,427

**23 Related party transactions**

The following transactions fall within the definitions of FRS 102 33.2 of Related Party Transactions:

- (i) The company had a trading balance with Norcros Group (Holdings) Limited. This balance is outlined in note 14 to the financial statements.
- (ii) Merlyn Industries Limited performs administration, procurement and distribution functions for Norcros Group (Holdings) Limited, the cost of which is incorporated in the selling price of goods sold by Merlyn Industries Limited to Norcros Group (Holdings) Limited.

Merlyn Industries Limited had the following sales to the related companies noted above:

	2025 Sales £	2024 Sales £
Norcros Group (Holdings) Limited	37,163,274	37,702,081

Key management compensation is set out in note 8.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For the Financial year ended 30 March 2025**

**24 Financial instruments**

The company have the following financial instruments:

		2025 £	2024 £
Financial assets that are debt instruments measured at amortised cost:-	Note		
- trade debtors	14	1,194,935	1,080,926
- amounts owed by group undertakings	14	12,125,740	13,579,372
		<u>13,320,675</u>	<u>14,660,298</u>
- cash at bank and in hand	15	654,618	1,863,655
		<u>654,618</u>	<u>1,863,655</u>
Financial liabilities measured at amortised cost:-			
- trade creditors	16	1,448,460	1,038,218
- amounts owed to group undertakings	16	1,428,676	1,544,797
		<u>2,877,136</u>	<u>2,583,015</u>

**25 Ultimate holding company and controlling party**

The Company's ultimate holding company and controlling party is Norcros plc, a company incorporated in Great Britain and registered in England and Wales.

Consolidated financial statements for Norcros plc, which is the largest and smallest group into which the results of the Company are consolidated, can be obtained from the Company Secretary at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire, SK9 1BU.

**26 Events since end of financial results**

There have been no significant events, outside the ordinary course of business, affecting the Company since 30<sup>th</sup> March 2025.

**27 Approval of the financial statements**

The financial statements were approved by the board of directors on 13<sup>th</sup> January 2026.