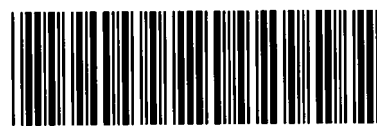


BARRHEAD SANITARY WARE LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

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FOR THE YEAR ENDED 30TH JUNE 2016**

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BARRHEAD SANITARY WARE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2016**

DIRECTORS:

Mr I W Hall
Mr D W Conn
Mr M A Oldham

SECRETARY:

St Pauls Secretaries Limited

REGISTERED OFFICE:

292 St. Vincent Street
Glasgow
Lanarkshire
G2 5TQ

REGISTERED NUMBER:

SC138807 (Scotland)

AUDITORS:

Ormerod Rutter Limited
Statutory Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2016**

The directors present their report with the financial statements of the company for the year ended 30th June 2016.

PRINCIPAL ACTIVITY

The principal activity prior to cessation of trade in 2010 was that of manufacture and sale of sanitary ware and related products.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2015 to the date of this report.

Mr I W Hall
Mr D W Conn
Mr M A Oldham

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

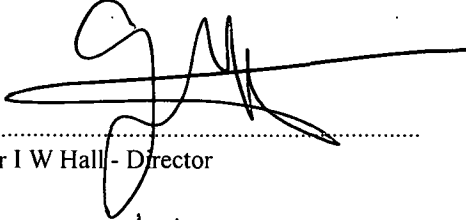
AUDITORS

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 487(2) of the Companies Act 2006.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2016**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr I W Hall - Director

Date: 31/1/17

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARRHEAD SANITARY WARE LIMITED**

We have audited the financial statements of Barrhead Sanitary Ware Limited for the year ended 30th June 2016 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2016 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

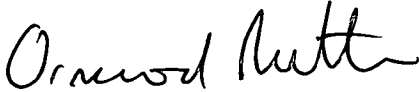
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARRHEAD SANITARY WARE LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited
Statutory Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Date: 2/2/17

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2016

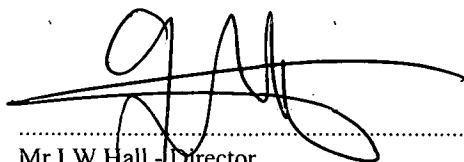
	Notes	2016 £'000	2015 £'000
TURNOVER		-	-
OPERATING PROFIT	5	-	-
Interest payable and similar charges	6	24	25
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(24)	(25)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR		(24)	(25)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(24)</u>	<u>(25)</u>

BALANCE SHEET
30TH JUNE 2016

	Notes	2016 £'000	2015 £'000
CURRENT ASSETS			
Debtors	8	<u>6</u>	<u>6</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>6</u>	<u>6</u>
CREDITORS			
Amounts falling due after more than one year	9	<u>885</u>	<u>861</u>
NET LIABILITIES			
		<u>(879)</u>	<u>(855)</u>
CAPITAL AND RESERVES			
Called up share capital	11	4,946	4,946
Retained earnings	12	<u>(5,825)</u>	<u>(5,801)</u>
SHAREHOLDERS' FUNDS			
		<u>(879)</u>	<u>(855)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 31/6/17 and were signed on its behalf by:


.....
Mr I W Hall - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2016

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1st July 2014	4,946	(5,776)	(830)
Changes in equity			
Total comprehensive income	-	(25)	(25)
Balance at 30th June 2015	<u>4,946</u>	<u>(5,801)</u>	<u>(855)</u>
Changes in equity			
Total comprehensive income	-	(24)	(24)
Balance at 30th June 2016	<u>4,946</u>	<u>(5,825)</u>	<u>(879)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

1. ADMINISTRATIVE INFORMATION

The Barrhead Sanitary Ware Limited is a company limited by shares incorporated in Scotland under the Companies Act 2006.

The address of the registered office is given on page 1.

The company did not trade in either the current year or previous year.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Following the company's adoption of FRS 102, the 2015 comparative information in the financial statements have been restated and re-presented under FRS 102. The adoption of FRS 102 has resulted in:

- no movement in the profit of loss for the year end 30th June 2015 from UK GAAP to FRS 102;
- no movement in the total equity under UK GAAP at 1st July 2014 and 30th June 2015 under FRS 102; and
- no movement in the balance sheet as at 1st July 2014 and as at 30th June 2015.

The functional currency of Barrhead Sanitary Ware Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The directors have prepared these financial statements on a going concern basis as the ultimate parent company, Utopia Bathroom Group Limited, has confirmed in writing that it will provide, notwithstanding the net current liabilities and net liabilities at the balance sheet date, ongoing financial support to enable the company to settle its liabilities as and when the fall due for a period of at least 12 months from the date of approval of these financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

3. STAFF COSTS

There were no staff costs for the year ended 30th June 2016 nor for the year ended 30th June 2015.

4. DIRECTORS' EMOLUMENTS

The directors are also directors of Utopia Furniture Limited, another company in the group, and their emoluments are included in the financial statements of that company. The remuneration of the directors is paid by the related parties and their services to the company are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the related parties. The related parties have not charged any amounts to the company in respect of their services in either the current or previous years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2016

5. OPERATING PROFIT

The auditors remuneration has been borne by an associated group company for both the current and previous years and is not recharged. Information regarding the auditors' total remuneration for auditing the group can be found in the consolidated statements of Utopia Bathroom Group Limited.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£'000	£'000
Preference share dividend	24	25
	<u>24</u>	<u>25</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30th June 2016 nor for the year ended 30th June 2015.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Amounts owed by group undertakings	6	6
	<u>6</u>	<u>6</u>

Deferred tax assets

The unrecognised deferred tax asset comprises:

	Recognised		Unrecognised	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Taxable losses carried forward	-	-	293	293
	<u>-</u>	<u>-</u>	<u>293</u>	<u>293</u>
	<u>-</u>	<u>-</u>	<u>293</u>	<u>293</u>

Deferred tax assets are not recognised where their recoverability cannot be accurately foreseen in the short term future. Deferred tax assets will not be recognised unless the company starts to made sufficient taxable profits which are likely to exceed available taxable losses.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£'000	£'000
Preference shares (see note 10)	325	325
Other creditors	560	536
	<u>885</u>	<u>861</u>

Other creditors relate to accrued preference share dividends.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2016

10. LOANS

An analysis of the maturity of loans is given below:

	2016 £'000	2015 £'000
Amounts falling due between one and two years:		
Preference shares	<u>325</u>	<u>325</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016 £'000	2015 £'000
325,000	7.5% redeemable cumulative preference (voting) shares	1	<u>325</u>	<u>325</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016 £'000	2015 £'000
4,508,835	Ordinary (voting) shares	1	4,509	4,509
437,110	Ordinary (non-voting) shares	1	<u>437</u>	<u>437</u>
			<u>4,946</u>	<u>4,946</u>

The company has in issue 325,000 preference shares of £1 each held by Barrhead International Limited, which are included in creditors: amounts falling due after more than one year.

Under the terms of the preference share subscription agreement, the company is liable to pay a cumulative preference net dividend of the preference shares of 7.5 pence per annum per share. The dividends are payable half yearly on 30th April and 31st October in each year, ranking in priority to any dividend paid on any other class of shares. The entitlement of the preference shareholders is however subject to the limitation that dividends paid shall not exceed 49.9% of the income of the company available for distribution.

The cumulative redeemable preference shares were due to be redeemed in four equal tranches at par (together with all arrears and accruals of dividends) on each of the following dates:

- 31st January 1998
- 31st July 1998
- 31st January 1999
- 31st July 1999

The shares will be redeemed when sufficient distributable reserves are available in accordance with the Companies Act 2006 and Articles of Association.

The company has the option to redeem the preference shares at par, at any time. The preference shareholders also have the option to convert their preference shares into ordinary, non-voting shares at any time. Consequently, under FRS 25, these shares have been reclassified to other debt.

On a winding up, the surplus assets of the company shall be applied as follows:

- in paying to the holders of the preference shares £1 for each share with any arrears or accruals of the preference dividend;
- the balance of the surplus assets shall be distributed equally amongst the holders of the voting shares and the non-voting shares in proportion to the number of shares held pro rata to the capital paid thereon.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2016

11. CALLED UP SHARE CAPITAL - continued

The non-voting shares have no voting rights except in relation to the declaration of an ordinary dividend, on winding up or a valuation of their class of shares.

The preference shareholders can vote on certain matters if their dividend is in arrears or their shares have not been redeemed when due for redemption.

12. RESERVES

	Retained earnings £'000
At 1st July 2015	(5,801)
Deficit for the year	(24)
	<hr/>
At 30th June 2016	(5,825)
	<hr/> <hr/>

13. ULTIMATE PARENT COMPANY

The immediate parent company is Utopia Group Limited, a company registered in England and Wales.

The ultimate parent undertaking is Utopia Bathroom Group Limited, a company registered in England and Wales, which heads the largest and smallest group to consolidate the financial statements of the company. Copies of the consolidated group financial statements, which include the company, are available from the Company Secretary at Utopia House, Springvale Avenue, Springvale Business Park, Bilston, Wolverhampton WV14 0QL.

14. CONTINGENT LIABILITIES

The company has provided a multi-lateral guarantee over all monies owed by the company and its subsidiaries to HSBC, secured by way of fixed and floating charges over the assets and undertakings of the company. At the year end Utopia Furniture Ltd owed £500,000 (2015 - £679,000) to HSBC.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Barrhead International Limited

Barrhead International Limited owns 42% of the ordinary voting shares, 80% of the ordinary non-voting shares and 100% of the preference shares of the company (with the remaining 58% of the ordinary voting shares being owned by Barrhead International Limited's parent company Utopia Group Limited).

During the year the company issued preference share dividends of £24,375 (2015 - £24,375) to Barrhead International Limited. At the year end the company owed Barrhead International Limited £560,625 (2015 - £536,250) in unpaid preference share dividends.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2016

15. RELATED PARTY DISCLOSURES - continued

Utopia Furniture Limited

Utopia Furniture Limited is a subsidiary of Utopia Group Limited, the parent company of Barrhead International Limited.

	2016	2015
	£'000	£'000
Amount due from related party at the balance sheet date	<u>6</u>	<u>6</u>