

Company Registration No. SC138807 (Scotland)

**BARRHEAD SANITARY WARE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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# BARRHEAD SANITARY WARE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D Conn Mr I Hall
<b>Company number</b>	SC138807
<b>Registered office</b>	Wright, Johnston & Mackenzie LLP 302 St. Vincent Street Glasgow Scotland G2 5RZ
<b>Auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

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# BARRHEAD SANITARY WARE LIMITED

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# BARRHEAD SANITARY WARE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### Principal activities

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

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D Conn

Mr I Hall

### Auditor

The auditor, Ormerod Rutter Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

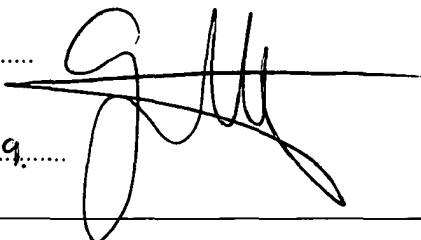
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....  
Mr I Hall

Director

Date: 4/9/19,.....



# BARRHEAD SANITARY WARE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BARRHEAD SANITARY WARE LIMITED

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#### Opinion

We have audited the financial statements of Barrhead Sanitary Ware Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

#### Basis for opinion

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 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. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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 2006

In our opinion, based on the work undertaken in the course of our 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.

# BARRHEAD SANITARY WARE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF BARRHEAD SANITARY WARE LIMITED

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

In the 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.

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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.



Colm McGrory FCA (Senior Statutory Auditor)  
for and on behalf of Ormerod Rutter Limited

5/9/19

Chartered Accountants  
Statutory Auditor

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# BARRHEAD SANITARY WARE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

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	Notes	2018 £	2017 £
Turnover		4,331	2,016
Administrative expenses		(66)	(44)
<b>Operating profit</b>	<b>2</b>	<u>4,265</u>	<u>1,972</u>
Interest payable and similar expenses		(24,375)	(24,375)
<b>Loss before taxation</b>		<u>(20,110)</u>	<u>(22,403)</u>
Tax on loss		-	-
<b>Loss for the financial year</b>		<u><u>(20,110)</u></u>	<u><u>(22,403)</u></u>

# BARRHEAD SANITARY WARE LIMITED

## BALANCE SHEET

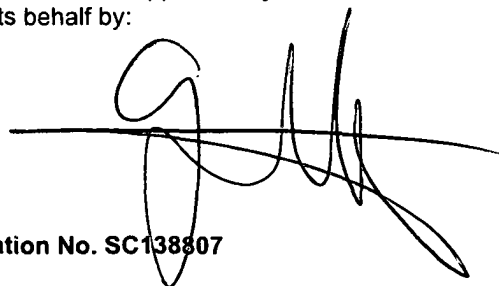
AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Debtors	3	6,347		2,016	
Cash at bank and in hand		6,292		6,358	
		<u>12,639</u>		<u>8,374</u>	
<b>Net current assets</b>			12,639		8,374
<b>Creditors: amounts falling due after more than one year</b>					
	4		(946,876)		(922,501)
<b>Net liabilities</b>			<u>(934,237)</u>		<u>(914,127)</u>
<b>Capital and reserves</b>					
Called up share capital	5	4,945,945		4,945,945	
Profit and loss reserves		(5,880,182)		(5,860,072)	
<b>Total equity</b>			<u>(934,237)</u>		<u>(914,127)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 4/9/19 and are signed on its behalf by:

.....  
Mr I Hall  
Director



Company Registration No. SC138807



# BARRHEAD SANITARY WARE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2017</b>	4,945,945	(5,837,669)	(891,724)
<b>Year ended 31 December 2017:</b>			
Loss and total comprehensive income for the year	-	(22,403)	(22,403)
<b>Balance at 31 December 2017</b>	4,945,945	(5,860,072)	(914,127)
<b>Year ended 31 December 2018:</b>			
Loss and total comprehensive income for the year	-	(20,110)	(20,110)
<b>Balance at 31 December 2018</b>	<u>4,945,945</u>	<u>(5,880,182)</u>	<u>(934,237)</u>

# BARRHEAD SANITARY WARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Barrhead Sanitary Ware Limited is a private company limited by shares incorporated in Scotland. The registered office is Wright, Johnston & Mackenzie LLP, 302 St. Vincent Street, Glasgow, G2 5RZ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Utopia Bathroom Group Limited. These consolidated financial statements are available from its registered office, Utopia House, Springvale Avenue, Springvale Business Park, Bilston, West Midlands, WV14 0QL.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# BARRHEAD SANITARY WARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.3 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### 1.4 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# BARRHEAD SANITARY WARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies (Continued)

#### 1.5 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

### 2 Operating profit

The auditors' remuneration has been borne by an associated group company for both the current and previous periods 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.

### 3 Debtors

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	6,347	2,016
	<u>6,347</u>	<u>2,016</u>

### 4 Creditors: amounts falling due after more than one year

	2018	2017
Notes	£	£
Other borrowings	325,000	325,000
Other creditors	621,876	597,501
	<u>946,876</u>	<u>922,501</u>

Other creditors relate to accrued preference share dividends.

Details of shares shown as liabilities are as follows:

Number	Class	Nominal value	2018	2017
		£	£	£
325,000	7.5% redeemable cumulative preference (voting) shares	1	325,000	325,000

### 5 Called up share capital

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4,508,835 Ordinary (voting) shares of £1 each	4,508,835	4,508,835
437,110 Ordinary (non-voting shares) of £1 each	437,110	437,110
	<u>4,945,945</u>	<u>4,945,945</u>

# BARRHEAD SANITARY WARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 5 Called up share capital

(Continued)

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 30 April and 31 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:

- 31 January 1998
- 31 July 1998
- 31 January 1999
- 31 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 102, 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.

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.

#### 6 Financial commitments, guarantees and contingent liabilities

The company is party to a multi-lateral guarantee over all monies owed by the company its fellow group undertakings to HSBC, secured by way of fixed and floating charges over the assets and undertakings of the company. As at 31 December 2018, Utopia Furniture Ltd owed £48,980 (2017: £64,217 ) to HSBC.

# **BARRHEAD SANITARY WARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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### **7 Related party transactions**

#### **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 (2017: £24,375 ) to Barrhead International Limited. As at 31 December 2018 the company owed Barrhead International Limited £621,876 (2016: £597,501) in unpaid preference share dividends.

#### **Utopia Furniture Limited**

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

As at 31 December 2018 Utopia Furniture Limited owed the company £6,347 (2017: £2,016).

### **8 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.

# BARRHEAD SANITARY WARE LIMITED

## FORMATTED TRIAL BALANCE

FOR THE YEAR ENDED 31 DECEMBER 2018

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		2018		2017
	£	£	£	£
<b>Turnover</b>				
Sales		4,331		2,016
<b>Administrative expenses</b>				
Bank charges		(66)		44
<b>Operating profit</b>		<u>4,265</u>		<u>1,972</u>
<b>Interest payable and similar expenses</b>				
Non equity dividends payable		(24,375)		(24,375)
<b>Loss before taxation</b>	464.33%	<u>(20,110)</u>	1111.26%	<u>(22,403)</u>
<b>MEMORANDUM PROFIT AND LOSS RESERVES</b>				
At the beginning of the year		(5,860,072)		(5,837,669)
Loss for the year		(20,110)		(22,403)
<b>At the end of the year</b>		<u>(5,880,182)</u>		<u>(5,860,072)</u>

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# BARRHEAD SANITARY WARE LIMITED

## FORMATTED TRIAL BALANCE (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

	£	2018 £	£	2017 £
<b>Current assets</b>				
Amounts owed by subsidiary	6,347		2,016	
Bank current account 1	6,292		6,358	
		<u>12,639</u>		<u>8,374</u>
<b>Net current assets</b>		<u>12,639</u>		<u>8,374</u>
<b>Total assets less current liabilities</b>		<u>12,639</u>		<u>8,374</u>
<b>Creditors: amounts falling due after more than one year</b>				
Redeemable preference shares	325,000		325,000	
Other long term creditors	621,876		597,501	
		<u>(946,876)</u>		<u>(922,501)</u>
<b>Net assets</b>		<u>(934,237)</u>		<u>(914,127)</u>
<b>Capital and reserves</b>				
Ordinary share capital class 1 brought forward		4,508,835		4,508,835
Ordinary share capital class 2 brought forward		437,110		437,110
Retained earnings		(5,880,182)		(5,860,072)
<b>Total equity</b>		<u>(934,237)</u>		<u>(914,127)</u>