

Company Registration No: 1211050

TRITON LIMITED
(formerly TRITON PLC)

Financial Statements

31st March 2000



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TRITON LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 2000

The directors present their report and the audited financial statements for the year ended 31st March 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the design, development, manufacture and marketing of a range of electric, power and mixer showers, bathroom accessories and allied products.

The Company achieved strong sales growth in the year and with effective cost control was able to achieve profit margin improvement. The outlook remains positive for the current year.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounts to	£000s 8,929
On the profits for the year, a final dividend is proposed of	<u>(9,000)</u>
Transfer from reserves of	<u><u>(71)</u></u>

TAXATION

Norcros Ltd has assumed responsibility for discharging any liability for United Kingdom corporation tax, current or deferred, so long as the Company remains a member of the Norcros Group.

DIRECTORS

The following served as directors throughout the year, unless otherwise stated;

Mr J Matthews (Chairman)
Ms L Fellowes
Mr R W Hodgkinson
Mr T E Applegate
Mr J B McCarthy
Mr R S Taylor
Mr J P Davies (appointed 14 June 1999)

DIRECTORS' INTERESTS

Mr J Matthews is a director of the Company's ultimate holding company, Norcros (Holdings) Ltd, and therefore his interests in the shares and share options of Norcros (Holdings) Ltd are disclosed in the financial statements of Norcros (Holdings) Ltd.

Of the remaining directors, five directors exercised share options in the year and five directors received amounts as compensation for the cancellation of options.

Except for the above, none of the directors has a disclosable interest in the shares of any company in the Norcros group.

TRITON LIMITED

Save in respect of the Norcros plc 1985 and 1996 Executive Share Option Schemes and the Norcros plc Savings Related Scheme, no arrangement to which the Company was or is a party subsisted at the end of the year, or at any time in the year, to enable the directors to acquire any interest by the acquisition of shares or debentures of the Company or any other body corporate.

None of the directors had any beneficial interest in any significant contract to which the Company was a party during the year.

The Company benefits from directors' and officers' liability insurance, arranged by Norcros (Holdings) Ltd, on behalf of the Company and its directors and officers.

EMPLOYEES

The Company has raised the level of training offered to all employees with regard to their individual roles within the Company and in the important areas of product knowledge and knowledge of Company procedures. All employees are notified of factors affecting the Company through the Company communication programme. Employee contribution is encouraged through the employee committee, with members elected from various locations of Company activity. These actions have resulted in employees being aware of the Company's future and have enriched their commitment to the Company's success. The Company was awarded Investors in People by Coventry Training and Enterprise Council in 1994 and this was reconfirmed in March 1997 and March 2000.

EMPLOYMENT OF DISABLED PERSONS

The Company recognises its responsibilities towards disabled persons, and therefore all applications from such persons are fully considered bearing in mind the respective aptitudes and abilities of the applicants. In the event of existing employees becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

CREDITOR PAYMENT POLICY

The Company's current policy concerning payments to suppliers of goods and services is to pay in accordance with agreed terms and its practice is to adhere to those terms. The amount of trade creditors shown in the balance sheet at 31st March 2000 represents 73 days of average daily purchases.

COMPANY STATUS

On 14th March 2000, the Company re-registered as a private limited company. The company intends to re register as a public limited company immediately after the approval of these financial statements.

YEAR 2000 PROGRAMME AND EUROPEAN MONETARY UNION

The company encountered no problems as a result of the year 2000 issue and, whilst monitoring continues, no problems are anticipated in the future. Costs incurred in the year were not material.

A programme is now substantially complete in respect of issues arising from the introduction of European Monetary Union. It is estimated that costs in relation to this will not be material.

TRITON LIMITED

AUDITORS

A resolution to reappoint PricewaterhouseCoopers as auditors to the Company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



J B McCarthy
Secretary
26 May 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The board of directors is required each year to provide financial statements which give a true and fair view of the results and state of affairs of the Company. The financial statements must comply with the provisions of the Companies Act 1985 and with applicable Accounting Standards.

In preparing the financial statements, the directors have responsibility for adopting accounting policies appropriate to the Company's business. These policies must be applied consistently, taking a reasonable and prudent view where judgements and estimates are necessary. The directors must maintain adequate accounting records and take reasonable steps to protect the assets of the Company and to deter and detect fraud and other irregularities.

The directors confirm their compliance with these requirements and that the financial statements have been prepared on the going concern basis.

BY ORDER OF THE BOARD



J B McCarthy
Secretary
26 May 2000

TRITON LIMITED

REPORT OF THE AUDITORS

To the members of TRITON Limited.

We have audited the financial statements on pages 5 to 13, which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for the preparation of the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31st March 2000, and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham
26 May 2000

TRITON LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2000**

	Notes	2000 £000s	1999 £000s
TURNOVER	2	<u>44,420</u>	<u>39,399</u>
Operating Profit	3	8,671	7,631
Net Interest	4	<u>258</u>	<u>146</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	8,929	7,777
Taxation	7	-	-
Profit on Ordinary Activities after Taxation		<u>8,929</u>	<u>7,777</u>
Dividends	8	(9,000)	(6,342)
TRANSFER (FROM)/TO RESERVES	17	<u>(71)</u>	<u>1,435</u>

The Company has no recognised gains and losses other than the (losses)/profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the retained (losses)/profits for the year stated above and their historical cost equivalents.

The profit on ordinary activities before taxation relates wholly to continuing activities.

TRITON LIMITED

BALANCE SHEET AS AT 31st MARCH 2000

	Notes	2000 £000s	1999 £000s
FIXED ASSETS			
Tangible Assets	9	4,490	3,939
Investments	10	2,468	2,468
		<u>6,958</u>	<u>6,407</u>
CURRENT ASSETS			
Stocks	12	2,542	2,141
Debtors	13	11,734	8,274
Cash at bank and in hand		9,967	7,986
		<u>24,243</u>	<u>18,401</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	14	<u>(21,765)</u>	<u>(17,594)</u>
NET CURRENT ASSETS		<u>2,478</u>	<u>807</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,436	7,214
Creditors: Amounts falling due after more than one year	14	(4,585)	(2,292)
		<u>4,851</u>	<u>4,922</u>
Financed by:			
CAPITAL AND RESERVES			
Called up Share Capital	15	57	57
Share Premium Account	17	2,462	2,462
Profit and Loss Account	17	2,332	2,403
EQUITY SHAREHOLDERS' FUNDS		<u>4,851</u>	<u>4,922</u>

The accounts on pages 5 to 13 were approved by the board of directors on 26 May 2000 and were signed on its behalf by:

L Fellowes)
) Directors
 J B McCarthy)

L Fellowes
J B McCarthy

TRITON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2000**

1. STATEMENT OF ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards in the United Kingdom.

Accounting Reference Date

All figures have been made up to Sunday, 2nd April 2000.

Turnover

Turnover represents the total amount, less value added tax, receivable by the Company for goods supplied and services rendered as principal during the year and is net of rebates paid to customers.

Research and Development

All expenditure on research and development is charged against the profits of the year in which it is incurred.

Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates applicable at the year end. Exchange gains and losses of a trading nature are dealt with in arriving at the profit before taxation.

Operating Leases

Operating lease rentals are charged against profit in the year in which they are incurred.

Depreciation

Depreciation on cost is calculated by the straight line method at rates considered appropriate to the class and the life of the asset concerned.

Principal depreciation rates for buildings are 4% and 5%, plant and other equipment are between 10% and 33%, motor vehicles are 25% and computer equipment between 20% and 33%.

TRITON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2000 continued**

Stock and Work-in-Progress

Stock and work-in-progress is valued at the lower of cost, including a proportion of the appropriate manufacturing overheads, and net realisable value on bases which have been applied consistently with the previous financial year.

Pension Funding

The Company's occupational pension schemes are funded by contributions, partly from the employees, and partly from the Company, at rates determined by independent actuaries. These contributions are invested separately from the Group's assets. Pension costs have been calculated in accordance with SSAP24.

Cash Flow Statement

The Company has not published a cash flow statement as it is a wholly owned subsidiary of Norcros (Holdings) Ltd, which produces a consolidated cash flow statement.

2. TURNOVER

	2000	1999
	£000s	£000s
United Kingdom	37,440	33,274
Overseas	6,980	6,125
	<u>44,420</u>	<u>39,399</u>

3. OPERATING PROFIT

	2000	1999
	£000s	£000s
TURNOVER	44,420	39,399
Cost of Sales	<u>(24,275)</u>	<u>(20,970)</u>
GROSS PROFIT	20,145	18,429
Distribution, Marketing and Sales Costs	(6,631)	(6,157)
Administration Expenses	(3,488)	(3,715)
Research and Development Costs	<u>(1,355)</u>	<u>(926)</u>
OPERATING PROFIT	<u>8,671</u>	<u>7,631</u>

4. NET INTEREST

	2000	1999
	£000s	£000s
Cash at bank, less overdrafts and other loans:		
Interest receivable - Bank	258	162
- Fellow Group Undertakings	266	110
Less: Repayable within 5 years, not by instalments		
- Bank	-	(16)
- Ultimate Holding Company	<u>(266)</u>	<u>(110)</u>
	<u>258</u>	<u>146</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2000 continued

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £000s	1999 £000s
Profit on ordinary activities before taxation is stated after crediting:		
Rent receivable	40	101
Profit arising on sale of fixed assets	29	42
and after charging:		
Depreciation of tangible fixed assets	(1,261)	(1,692)
Research and development costs	(1,355)	(926)
Auditors' remuneration (including expenses) for:		
Audit	(23)	(22)
Other	(2)	(5)
Hire of plant and machinery	(4)	(8)
Operating lease rentals:		
Property	(528)	(507)
Equipment	(434)	(351)

6. DIRECTORS AND EMPLOYEES

The average weekly number of persons (including directors) employed by the Company during the year was:

	2000 Number	1999 Number
Management and Administration	36	36
Production, Research and Development	230	202
Sales, Marketing and Service	194	189
	460	427

Staff costs (for the above persons):

	2000 £000s	1999 £000s
Wages and Salaries	7,681	6,786
Social Security costs	586	535
Other Pensions costs	245	221
	8,512	7,542

Directors:

	2000 £000s	1999 £000s
Aggregate Emoluments	456	422
Company pension contributions to money purchase schemes	14	20

Retirement benefits accrued to one director (1999 – two directors) under a money purchase pension scheme and to four directors (1999 – three directors) under a defined benefit scheme.

TRITON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2000 continued

6. DIRECTORS AND EMPLOYEES continued

Highest Paid Director	2000 £000s	1999 £000s
Aggregate emoluments	124	123
Company pension contributions to money purchase scheme	14	18

7. TAXATION

No charge to United Kingdom taxation has been provided on the results for the year. Any United Kingdom tax liability which may arise and is not eliminated by the offset of group relief and/or advance corporation tax, for neither of which payment will be made, will be discharged by Norcros (Holdings) Ltd.

8. DIVIDENDS

	2000 £000s	1999 £000s
Dividends on equity shares:		
Ordinary - Final proposed of £157.89 per share (1999 £111.26)	9,000	6,342

9. TANGIBLE FIXED ASSETS

	Short Leasehold Buildings £000s	Plant, Machinery Equipment and Motor Vehicles £000s	Total £000s
Cost			
At 1st April 1999	950	9,652	10,602
Additions	-	1,815	1,815
Disposals	-	(120)	(120)
At 31st March 2000	950	11,347	12,297
Depreciation			
At 1st April 1999	(130)	(6,533)	(6,663)
Charge for the year	(46)	(1,215)	(1,261)
Eliminated in respect of disposals	-	117	117
At 31st March 2000	(176)	(7,631)	(7,807)
Net Book Value			
At 31st March 2000	774	3,716	4,490
At 31st March 1999	820	3,119	3,939

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2000 continued**

10. SHARES IN GROUP COMPANIES

	2000 £000s	1999 £000s
Shares at cost	2,469	2,469
Less: Amounts written off	(1)	(1)
	2,468	2,468

The Company's subsidiaries, all of which are registered in England, are as follows:

Name	Status
Bermuda Showers Ltd	Non trading
Florida Plastics Ltd	Non trading
Metlex Industries Ltd	Non trading
Cantonian Ltd	Non trading
Aquatron (Showers) Ltd	Non trading
Aquatron (Shower Fittings) Ltd	Non trading

All the above subsidiaries are wholly owned, the last three being subsidiaries of Metlex Industries Ltd.

The Company has not prepared consolidated accounts since it is a wholly owned subsidiary of Norcross (Holdings) Ltd, a company registered in England.

11. FUTURE COMMITMENTS

Capital

	2000 £000s	1999 £000s
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	4
Capital expenditure that has been authorised by the directors but has not yet been contracted for	893	1,248

Contingent Liability

The company has a contingent liability in respect of an outstanding rent review with the landlords of the company's main premises due from 24th June 1999.

Revenue

The Company has future revenue commitments for the annual payment of operating lease rentals on leases which expire:

	2000 Property £000s	2000 Equipment £000s	1999 Property £000s	1999 Equipment £000s
Within one year	-	79	33	77
Two to five years	12	276	-	222
Over five years	502	-	426	-
	514	355	459	299

TRITON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2000 continued

12. STOCKS

	2000 £000s	1999 £000s
Stocks comprise:		
Raw materials and consumables	1,352	1,231
Work-in-progress	15	64
Finished goods	1,175	846
	<u>2,542</u>	<u>2,141</u>

13. DEBTORS

	2000 £000s	1999 £000s
Amounts falling due within one year:		
Trade debtors	5,926	6,115
Amounts due from fellow group undertakings	443	152
Other debtors	393	225
Prepayments and accrued income	224	165
	<u>6,986</u>	<u>6,657</u>
Amounts falling due after one year:		
Amounts due from fellow group undertakings	<u>4,748</u>	<u>1,617</u>

14. CREDITORS

	2000 £000s	1999 £000s
Amounts falling due within one year:		
Trade creditors	5,889	4,208
Amounts owed to holding and ultimate holding company	201	53
Amounts owed to fellow group undertakings	2,505	2,505
Dividends payable	9,000	6,342
Other taxation and social security payable	377	1,019
Accruals and Provisions	3,793	3,467
	<u>21,765</u>	<u>17,594</u>
Amounts falling due after more than one year:		
Amount owed to holding and ultimate holding company	<u>4,585</u>	<u>2,292</u>

15. CALLED UP SHARE CAPITAL

	2000 £000s	1999 £000s
Authorised:		
61,000 ordinary shares of £1 each	<u>61</u>	<u>61</u>
Allotted, called up and fully paid:		
57,000 ordinary shares of £1 each	<u>57</u>	<u>57</u>

TRITON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2000 continued

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £000s	1999 £000s
Opening shareholders' funds	4,922	3,487
Retained (Loss)/Profit for the year	(71)	1,435
Closing shareholders' funds	<u>4,851</u>	<u>4,922</u>

17. RESERVES

	Share premium account £000s	Profit and loss account £000s
At 1st April 1999	2,462	2,403
Retained loss for the year	-	(71)
At 31st March 2000	<u>2,462</u>	<u>2,332</u>

18. PENSION COMMITMENTS

The Company adheres to the Norcros Security Plan which is a defined benefit scheme. Contributions are based on pension costs for the whole Group and for the year to 31st March 2000 are at a rate of 8% of pensionable earnings. Details of the latest actuarial valuation can be found in the financial statements of Norcros (Holdings) Ltd.

The Company also contributes to a defined contribution scheme called The Norcros Pension Builder Scheme for certain employees.

	£000s
Employer contribution's charged in the year were:	
Defined Benefit Scheme	191
Defined Contribution Scheme	51

19. GUARANTEES

The Company has entered into a guarantee and debenture which effectively means that all of its assets, property or otherwise, and undertakings are charged in favour of the security agent acting on behalf of the lending banks to the Company's ultimate holding company, Norcros (Holdings) Limited.

20. RELATED PARTY TRANSACTIONS

The Company has not disclosed transactions with fellow Group companies, where the Group shareholding is 90% or more, in accordance with the exemption under the terms of Financial Reporting Standard No.8.

21. ULTIMATE HOLDING COMPANY

The Company's ultimate holding Company and ultimate controlling party is Norcros (Holdings) Ltd, formerly Norcros plc, a company incorporated in Great Britain and registered in England. A copy of the Norcros (Holdings) Ltd accounts may be obtained from The Company Secretary at Ladyfield House, Station Road, Wilmslow, Cheshire, SK9 1BU.