

Company Registration No: 1211050

TRITON PLC

Financial Statements

31 March 2002



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TRITON PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 March 2002

The directors present their report and the audited financial statements for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

Effective cost control enabled the company to largely offset the reduction in sales during the year. It is expected that the company will achieve sales growth in the foreseeable future.

During the year, the Company incurred £915,000 (2001: £920,000) on Research and Development activities.

RESULTS AND DIVIDENDS

	2002 £000s	2001 £000s
The profit for the year after taxation amounts to	8,536	8,833
On the profits for the year, dividends paid and proposed of	(7,500)	(9,500)
Transfer to/(from) reserves of	<u>1,036</u>	<u>(667)</u>

TAXATION

Norcros Ltd, a fellow subsidiary of Norcros (Holdings) Ltd, the ultimate parent company, 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 directors of the company during the year and subsequently were:

Mr J Matthews (Chairman)
Ms L Fellowes
Mr T E Applegate
Mr J P Davies
Mr D W Hamilton (appointed 12 June 2001)
Mr N P Kelsall (appointed 12 June 2001)
Mr J B McCarthy
Mr R S Taylor

Mr JB McCarthy also served as the Company's Secretary throughout the period.

DIRECTORS' INTERESTS

Mr J Matthews, Mr D W Hamilton and Mr N P Kelsall are directors of the Company's ultimate parent company, Norcros (Holdings) Ltd, and therefore their interests in the shares of Norcros (Holdings) Ltd are disclosed in the financial statements of Norcros (Holdings) Ltd.

Except for the above, none of the directors had a disclosable interest in the shares of any company in the Norcros group at any time during the year.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 March 2002 (continued)**

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 31 March 2002 represents 71 days (2001: 63 days) of average daily purchases.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers as auditors to the Company will be proposed at the Annual General Meeting. PricewaterhouseCoopers have indicated their willingness to continue as auditors to the Company.

TRITON PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 March 2002 (continued)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained under Note 1 Accounting policies. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

BY ORDER OF THE BOARD



Triton Plc
J B McCarthy
Secretary
14 June 2002

TRITON PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRITON PLC

We have audited the financial statements, which comprise the profit and loss account, the statement of recognised gains and losses, the balance sheet and the related notes.

Respective responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 1985. 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 Audit 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 31 March 2002 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham
14 June 2002

TRITON PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2002**

	Notes	2002 £000s	As Restated 2001 £000s
TURNOVER	2	<u>44,652</u>	<u>45,509</u>
Operating Profit	3	8,511	8,714
Net Interest Receivable	4	<u>25</u>	<u>119</u>
Profit on Ordinary Activities before Taxation	5	8,536	8,833
Taxation	7	<u>-</u>	<u>-</u>
Profit on Ordinary Activities after Taxation		8,536	8,833
Dividends	8	<u>(7,500)</u>	<u>(9,500)</u>
RETAINED PROFIT/ (LOSS) FOR THE FINANCIAL YEAR	17	<u>1,036</u>	<u>(667)</u>

**STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2002**

		2002 £000s	2001 £000s
Profit for the financial year and total recognised gains and losses for the year		8,536	8,833
Prior year adjustment	18	(90)	-
Total gains and losses recognised since last annual report		<u>8,446</u>	<u>8,833</u>

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

The results reported above relate wholly to continuing activities.

TRITON PLC

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £000s	As Restated 2001 £000s
FIXED ASSETS			
Tangible Assets	9	3,644	4,611
Investments	10	2,468	2,468
		<u>6,112</u>	<u>7,079</u>
CURRENT ASSETS			
Stocks	12	2,371	3,036
Debtors - due within one year	13	7,936	6,703
- due after one year	13	162	4,632
Cash at bank and in hand		5,345	4,457
		<u>15,814</u>	<u>18,828</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	14	<u>(15,187)</u>	<u>(16,164)</u>
NET CURRENT ASSETS		<u>627</u>	<u>2,664</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,739	9,743
Creditors:			
Amounts falling due after more than one year	14	(720)	(4,840)
Provisions for Liabilities and Charges	15	(889)	(809)
		<u>5,130</u>	<u>4,094</u>
Financed by:			
CAPITAL AND RESERVES			
Called up Share Capital	16	57	57
Share Premium Account	18	2,462	2,462
Profit and Loss Account	18	2,611	1,575
EQUITY SHAREHOLDERS' FUNDS		<u>5,130</u>	<u>4,094</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 14 June 2002 and were signed on its behalf by:

L Fellowes)

Directors

J B McCarthy)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2002

1. STATEMENT OF ACCOUNTING POLICIES

Accounting Convention

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

Accounting Reference Date

All figures have been made up to Sunday, 31 March 2002.

Changes in Accounting Policy

The company has adopted FRS 18: "Accounting Policies", in these financial statements. In adopting this new standard, the directors have decided to move the amounts held within the balance sheet for potential future liabilities from current warranty obligations from Accruals and other creditors to Provisions, as this is considered more appropriate. This restatement does not have any impact on the profit and loss account. The directors have also changed their accounting policy for the recording of settlement discounts offered to customers. This restatement has reduced the prior year brought forward profit and loss account reserve by £90,000. The comparative profit and loss account, balance sheet and notes have been restated accordingly.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2002 continued**

Tangible Fixed Assets

Tangible Fixed Assets are valued at cost less depreciation.

Depreciation 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 building improvements are 4% and 5%, plant and other equipment are between 10% and 33% and computer equipment between 20% and 33%.

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.

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.

Taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits is uncertain. Deferred tax assets and liabilities have not been discounted.

2. TURNOVER

	2002	2001
	£000s	£000s
United Kingdom	37,788	38,386
Overseas	6,864	7,123
	<u>44,652</u>	<u>45,509</u>

The company's activities consist solely of the manufacture and sale of showers and related services and bathroom accessories.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2002 (continued)**

3. OPERATING PROFIT

	2002	As Restated 2001
	£000s	£000s
TURNOVER	44,652	45,509
Cost of Sales	<u>(25,881)</u>	<u>(25,676)</u>
GROSS PROFIT	18,771	19,833
Distribution, Marketing and Sales Costs	(5,974)	(6,508)
Administration Expenses	(3,371)	(3,396)
Research and Development Costs	(915)	(920)
Write off of debts due from fellow group undertaking	-	(295)
OPERATING PROFIT	<u><u>8,511</u></u>	<u><u>8,714</u></u>

4. NET INTEREST

	2002	2001
	£000s	£000s
Cash at bank, less overdrafts and other loans:		
Interest receivable - Bank	25	119
- Fellow Group Undertakings	59	315
Less: Repayable within 5 years, not by instalments		
- Immediate Parent Company	<u>(59)</u>	<u>(315)</u>
	<u><u>25</u></u>	<u><u>119</u></u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002	2001
	£000s	£000s
Profit on ordinary activities before taxation is stated after crediting:		
Rent receivable	56	57
Profit arising on sale of fixed assets	2	26
and after charging:		
Depreciation of tangible fixed assets	(1,324)	(1,213)
Research and development costs	(915)	(920)
Auditors' remuneration (including expenses) for:		
Audit	(25)	(24)
Other	(3)	(1)
Operating lease rentals:		
Property	(509)	(514)
Equipment	(386)	(422)
Write off of debts due from fellow group undertaking	<u>-</u>	<u>(295)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2002 (continued)

6. DIRECTORS AND EMPLOYEES

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

	2002 Number	2001 Number
Management and Administration	35	36
Production, Research and Development	210	238
Sales, Marketing and Service	180	200
	<u>425</u>	<u>474</u>

	2002 £000s	2001 £000s
Staff costs (for the above persons):		
Wages and Salaries	7,352	7,618
Social Security costs	572	591
Other Pensions costs	337	287
	<u>8,261</u>	<u>8,496</u>

	2002 £000s	2001 £000s
Directors:		
Aggregate Emoluments	406	406
Company pension contributions to defined contribution scheme	20	19
	<u>426</u>	<u>425</u>

Retirement benefits accrued to one director (2001 – one director) under a defined contribution scheme and to four directors (2001 – four directors) under a defined benefit scheme.

	2002 £000s	2001 £000s
Highest Paid Director		
Aggregate emoluments	112	112
Company pension contributions to defined contribution scheme	20	19
	<u>132</u>	<u>131</u>

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 Ltd, a fellow subsidiary of Norcros (Holdings) Ltd, the ultimate parent company. This taxation indemnity will be in force so long as the Company remains a member of the Norcros Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2002 (continued)

8. DIVIDENDS

	2002 £000s	2001 £000s
Dividends on ordinary shares:		
Interim of £61.40 per share (2001 £ 78.95)	3,500	4,500
Final proposed of £70.18 per share (2001 £87.72)	4,000	5,000
	<u>7,500</u>	<u>9,500</u>

9. TANGIBLE FIXED ASSETS

	Improvements to Short Leasehold Buildings £000s	Plant, Machinery & Equipment £000s	Total £000s
Cost			
At 1st April 2001	950	12,103	13,053
Additions	-	357	357
Disposals	-	(9)	(9)
At 31 March 2002	<u>950</u>	<u>12,451</u>	<u>13,401</u>
Depreciation			
At 1st April 2001	221	8,221	8,442
Charge for the year	46	1,278	1,324
Eliminated in respect of disposals	-	(9)	(9)
At 31 March 2002	<u>267</u>	<u>9,490</u>	<u>9,757</u>
Net Book Value			
At 31 March 2002	<u>683</u>	<u>2,961</u>	<u>3,644</u>
At 31 March 2001	<u>729</u>	<u>3,882</u>	<u>4,611</u>

10. SHARES IN GROUP COMPANIES

	2002 £000s	2001 £000s
Shares at cost	2,469	2,469
Less: Amounts written off	(1)	(1)
	<u>2,468</u>	<u>2,468</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2002 (continued)

10. SHARES IN GROUP COMPANIES (continued)

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

The Company has not prepared consolidated financial statements as it is exempt from doing so under Section 228 of the Companies Act 1985, since it is a wholly owned subsidiary of Norcross (Holdings) Ltd, a company registered in England, which produces consolidated financial statements.

11. FUTURE COMMITMENTS

Capital

	2002 £000s	2001 £000s
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>202</u>	<u>85</u>

Contingent Liability

The company has a contingent liability of £20,000 in respect of letters of credit that have been issued and yet to be presented.

Operating Leases

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

	2002 Property £000s	2002 Equipment £000s	2001 Property £000s	2001 Equipment £000s
Within one year	-	49	-	55
Two to five years	-	244	12	250
Over five years	502	1	502	6
	<u>502</u>	<u>294</u>	<u>514</u>	<u>311</u>

12. STOCKS

	2002 £000s	2001 £000s
Stocks comprise:		
Raw materials and consumables	1,161	1,439
Work-in-progress	-	15
Finished goods	1,210	1,582
	<u>2,371</u>	<u>3,036</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2002 (continued)**

13. DEBTORS

	2002	As Restated 2001
	£000s	£000s
Amounts falling due within one year:		
Trade debtors	7,264	5,699
Amounts due from fellow group undertakings	6	500
Other debtors	247	187
Prepayments and accrued income	419	317
	<u>7,936</u>	<u>6,703</u>
Amounts falling due after one year:		
Amounts due from fellow group undertakings	<u>162</u>	<u>4,632</u>

14. CREDITORS

	2002	As Restated 2001
	£000s	£000s
Amounts falling due within one year:		
Trade creditors	5,899	5,076
Amounts owed to immediate parent company	-	491
Amounts owed to fellow group undertakings	2,505	2,524
Dividends payable	4,000	5,000
Other taxation and social security payable	491	519
Accruals and other creditors	2,292	2,554
	<u>15,187</u>	<u>16,164</u>
Amounts falling due after more than one year:		
Amount owed to immediate parent company	<u>720</u>	<u>4,840</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty Provision £000s
1 April 2001 as previously reported	0
Prior year adjustment – FRS 18	809
1 April 2001 as restated	809
Utilised in year	(802)
Charge in the profit and loss account	882
31 March 2002	<u>889</u>

A provision of £889,000 has been recognised for expected standard and extended warranty claims on products sold during the last two financial years. It is expected that most of this expenditure will be incurred in the next financial year, and all will be incurred within five years of the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2002 (continued)

15. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Deferred Taxation

The full potential asset for deferred taxation is as follows:

	2002 £000s	2001 £000s
Accelerated capital allowances	254	253
Other timing differences	14	6
	<u>268</u>	<u>259</u>

The deferred tax asset noted above has not been recognised in the year (2001: Nil) because in the view of the directors, whilst the company is covered by the taxation indemnity, as per Note 7, the asset is not recoverable.

16. CALLED UP SHARE CAPITAL

	2002 £000s	2001 £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>

17. PROFIT FOR THE YEAR

	2002 £000s	As Restated 2001 £000s
Profit/(Loss) for the year	8,536	8,833
Dividends	(7,500)	(9,500)
Addition to/(reduction in) shareholders' funds	1,036	(667)
Shareholders' funds as at 1 April	4,094	4,761
Shareholders' funds as at 31 March	<u>5,130</u>	<u>4,094</u>

18. RESERVES

	Share premium account £000s	Profit and loss Account £000s
At 1 April 2001 as previously reported	2,462	1,665
Prior year adjustment – FRS 18	-	(90)
At 1 April 2001 as restated	<u>2,462</u>	<u>1,575</u>
Retained Profit for the year	-	1,036
At 31 March 2002	<u>2,462</u>	<u>2,611</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2002 (continued)

19. 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 31 March 2002 are at a rate of 10.4% of pensionable earnings. Details of the group scheme, including 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.

	2002 £000s	2001 £000s
Employer contribution's charged in the year were:		
Defined Benefit Scheme	276	224
Defined Contribution Scheme	59	64

An amount of £26,000 (2001: £19,000) is included within creditors, which represents the excess of the accumulated pension cost over the payment of contributions to the pension fund.

Under the definitions set out in FRS 17: Retirement Benefits, the Norcros Security Plan is a multi-employer pension scheme. The Company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, under FRS 17 the company will account for pension costs as though the Norcros Security Plan was a defined contribution scheme.

20. 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.

21. RELATED PARTY AND CASH FLOW STATEMENT DISCLOSURE

The Company is a wholly owned subsidiary of Norcros (Holdings) Ltd and is included in the consolidated financial statements of Norcros (Holdings) Ltd, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Norcros (Holdings) Ltd group or investees of the Norcros (Holdings) Ltd group. There are no other related party transactions.

22. ULTIMATE PARENT COMPANY

The Company's ultimate parent Company and ultimate controlling party is Norcros (Holdings) Ltd, a company incorporated in Great Britain and registered in England. The Norcros (Holdings) Ltd financial statements contain both the smallest and largest set of group accounts, into which Triton plc accounts are consolidated. A copy of Norcros (Holdings) Ltd accounts may be obtained from Companies House, Maindy, Cardiff. The Company's immediate holding company is Norcros Ltd.