

Company Registration No. SC138807 (Scotland)

BARRHEAD SANITARY WARE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
PAGES FOR FILING WITH REGISTRAR



BARRHEAD SANITARY WARE LIMITED

COMPANY INFORMATION

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

BARRHEAD SANITARY WARE LIMITED

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BARRHEAD SANITARY WARE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000	2016 £'000
Current assets				
Debtors	2	3	6	6
Cash at bank and in hand		6	-	-
		<u>9</u>	<u>6</u>	<u>6</u>
Net current assets			9	6
Creditors: amounts falling due after more than one year	3		(923)	(898)
Net liabilities			<u>(914)</u>	<u>(892)</u>
Capital and reserves				
Called up share capital	4		4,946	4,946
Profit and loss reserves			(5,860)	(5,838)
Total equity			<u>(914)</u>	<u>(892)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 25/1/18 and are signed on its behalf by:

.....
Mr I W Hall
Director

Company Registration No. SC138807

BARRHEAD SANITARY WARE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit and loss reserves	Total
	£'000	£'000	£'000
Balance at 1 July 2016	4,946	(5,825)	(879)
Period ended 31st December 2016:			
Loss and total comprehensive income for the year	-	(13)	(13)
Balance at 31 December 2016	<u>4,946</u>	<u>(5,838)</u>	<u>(892)</u>
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(22)	(22)
Balance at 31 December 2017	<u><u>4,946</u></u>	<u><u>(5,860)</u></u>	<u><u>(914)</u></u>

BARRHEAD SANITARY WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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, Scotland, 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 £'000.

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 2017

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 are recoverable.

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 direct issue 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 2017

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 Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	3	6

3 Creditors: amounts falling due after more than one year

	Notes	2017 £'000	2016 £'000
Other borrowings		325	325
Other creditors		598	573
		923	898

Other creditors relate to accrued preference share dividends.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £	Year ended 31 December 2017 £	Period ended 31 December 2016 £
325,000	7.5% redeemable cumulative preference (voting) shares	1	325,000	325,000

BARRHEAD SANITARY WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4	Called up share capital	Year ended	Period ended
		31 December	31 December
		2017	2016
		£'000	£'000
	Ordinary share capital		
	Issued and fully paid		
	4,508,835 Ordinary (voting) shares of £1 each	4,509	4,509
	437,110 Ordinary (non-voting shares) of £1 each	437	437
		<u>4,946</u>	<u>4,946</u>
		<u><u>4,946</u></u>	<u><u>4,946</u></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 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.

5 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

BARRHEAD SANITARY WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Audit report information

(Continued)

The senior statutory auditor was Colm McGroary FCA.
The auditor was Ormerod Rutter Limited.

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 2017, Utopia Furniture Ltd owed £64,217 (2016: £137,038) to HSBC.

BARRHEAD SANITARY WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 (2016: £12,187) to Barrhead International Limited. As at 31 December 2017 the company owed Barrhead International Limited £597,501 (2016: £572,812) 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 2017 Utopia Furniture Limited owed the company £2,016 (2016: £6,402).

BARRHEAD SANITARY WARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.