

Company Registration No: 1211050

# TRITON PLC

Annual report for the year ended

31 March 2005



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## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 March 2005**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2005.

### **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.

The company achieved strong sales growth during the year, which provided the basis for profit growth. Continued sales growth is anticipated in the coming year.

During the year, the company incurred £1,198,000 (2004: £1,090,000) on Research and Development activities.

### **RESULTS AND DIVIDENDS**

	<b>2005</b>	<b>2004</b>
	<b>£000s</b>	<b>£000s</b>
The profit for the year after taxation	12,157	11,136
Dividends paid and proposed for the year	(11,000)	(10,000)
Transfer to reserves	<u>1,157</u>	<u>1,136</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  
Mr N P Kelsall  
Mr C J Whitell  
Mr R S Taylor  
Mr S Williams

Mr C J Whitell also served as the company's secretary throughout the period he was a director.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 March 2005 (continued)**

**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.

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 accredited as an Investor in People in 1997 and this was reconfirmed in March 2003.

**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 2005 represents 52 days (2004: 50 days) of average daily purchases.

**DONATIONS**

The company made charitable donations of £1,076 during the year (2004: £127). The company has not made any political donations in the year (2004: nil).

**TRITON PLC**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 March 2005 (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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 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.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

**BY ORDER OF THE BOARD**



**Triton Plc**  
C J Whitell  
Secretary  
25 July 2005

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRITON PLC**

We have audited the financial statements, which comprise the profit and loss account, 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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. The other information comprises only the directors' report.

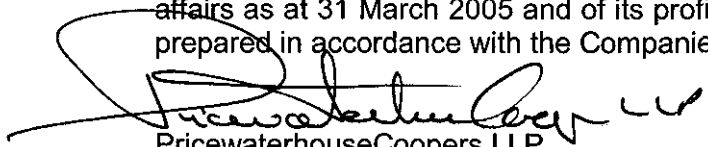
## **Basis of audit opinion**

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 the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

27 July 2005

**TRITON PLC****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 March 2005**

	Notes	2005 £000s	2004 £000s
<b>Turnover</b>	2	<u>56,501</u>	<u>52,679</u>
Operating profit	3	11,871	11,004
Net interest receivable	4	<u>286</u>	<u>132</u>
<b>Profit on ordinary activities before taxation</b>		12,157	11,136
Taxation	6	<u>-</u>	<u>-</u>
<b>Profit on ordinary activities after taxation</b>		12,157	11,136
Dividends	7	(11,000)	(10,000)
<b>Retained profit for the financial year</b>	17	<u>1,157</u>	<u>1,136</u>

The results have been derived wholly from continuing activities.

The company had no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

TRITON PLC

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £000s	2004 £000s
<b>Fixed assets</b>			
Tangible assets	8	3,192	3,325
Investments	9	2,468	2,468
		<u>5,660</u>	<u>5,793</u>
<b>Current assets</b>			
Stock	11	3,923	2,670
Debtors	12	10,105	10,413
Cash at bank and in hand		7,959	5,657
		<u>21,987</u>	<u>18,740</u>
<b>Creditors- Amounts falling due within one year</b>	13	<u>(21,528)</u>	<u>(19,576)</u>
<b>Net current assets/(liabilities)</b>		<u>459</u>	<u>(836)</u>
<b>Total assets less current liabilities</b>		6,119	4,957
 Provisions for liabilities and charges	14	 (915)	 (910)
		<u>5,204</u>	<u>4,047</u>
<b>Financed by:</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	57	57
Share premium account	17	2,462	2,462
Profit and loss account	17	2,685	1,528
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>5,204</u>	<u>4,047</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 25 July 2005 and were signed on its behalf by:

L Fellowes ) *Lama Fellowes*  
 ) Directors  
 C J Whitell ) *C.J. Whitell*

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005

### 1. Accounting policies

#### Accounting convention

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principle accounting policies are set out below.

#### Accounting reference date

All figures have been made up to Sunday, 3 April 2005.

#### 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 trade rebates paid to customers. Sales revenue is recognised at point of despatch. Revenue arising from the sale of extended warranty policies is recognised on a straight-line basis over the active life of the policy.

#### 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.

#### Warranty provisions

Provision is made for the estimated liability for future service costs on products under standard warranty agreements.

#### Pensions

The pension schemes have been accounted for as defined contribution schemes. The related costs have been charged to the company's profit and loss account as they are incurred. Full disclosure on the Norcros group schemes can be found in the financial statements of the ultimate parent company, see note 22.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

## 1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

### Tangible fixed assets

Tangible fixed assets are stated at historic cost less depreciation and provision for impairments.

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

Depreciation of tangible fixed assets is provided from the date of acquisition so to write-off assets on a straight line basis over the term of their useful lives.

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%.

The carrying values of fixed assets are reviewed for impairment in periods where events or changes of circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historic cost is charged to the profit and loss account within operating profit.

### Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

### Stocks

Stocks are valued at the lower of cost, including a proportion of the appropriate manufacturing overheads, and net realisable value.

### Taxation

Subject to the tax indemnity, described in note 6 to the accounts, 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

	2005 £000s	2004 £000s
United Kingdom	46,931	44,384
Overseas	9,570	8,295
	<u>56,501</u>	<u>52,679</u>

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

**TRITON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 March 2005 (continued)**

**3. OPERATING PROFIT**

	<b>2005</b> <b>£000s</b>	<b>2004</b> <b>£000s</b>
<b>TURNOVER</b>	56,501	52,679
Cost of Sales	(31,632)	(29,424)
<b>GROSS PROFIT</b>	24,869	23,255
Distribution, Marketing and Sales Costs	(6,647)	(6,028)
Administration Expenses	(6,351)	(6,223)
<b>OPERATING PROFIT</b>	<u>11,871</u>	<u>11,004</u>

**Operating profit is stated after crediting/(charging):**

Rent receivable	55	48
Depreciation of tangible fixed assets	(1,207)	(1,165)
Research and development costs	(1,198)	(1,090)
Auditors' remuneration (including expenses) for:		
Audit	(28)	(26)
Operating lease rentals:		
Property	(552)	(506)
Equipment	(528)	(384)

**4. NET INTEREST**

	<b>2005</b> <b>£000s</b>	<b>2004</b> <b>£000s</b>
Interest receivable on bank balances	<u>286</u>	<u>132</u>

**5. DIRECTORS AND EMPLOYEES**

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

	<b>2005</b> <b>Number</b>	<b>2004</b> <b>Number</b>
Management and administration	34	33
Production, research and development	194	187
Sales, marketing and customer service	214	214
	<u>442</u>	<u>434</u>

	<b>2005</b> <b>£000s</b>	<b>2004</b> <b>£000s</b>
<b>Staff costs (for the above persons):</b>		
Wages and Salaries	8,916	8,267
Social Security costs	750	688
Other Pensions costs	448	385
	<u>10,114</u>	<u>9,340</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

## 5. DIRECTORS AND EMPLOYEES (CONTINUED)

### Directors' emoluments

	2005 £000s	2004 £000s
Aggregate emoluments	681	645
Company pension contributions to defined contribution scheme	-	5
	<u>681</u>	<u>650</u>

Retirement benefits accrued to no director (2004 – one director) under a defined contribution scheme and to five directors (2004 – six directors) under a defined benefit scheme.

### Highest paid director

	2005 £000s	2004 £000s
Aggregate emoluments	191	171
Company pension contributions to defined contribution scheme	-	5
	<u>191</u>	<u>176</u>

## 6. 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.

## 7. DIVIDEND

	2005 £000s	2004 £000s
Dividend on ordinary shares:		
Interim paid of £52.63 per share (2004 £52.63)	3,000	3,000
Final proposed of £140.35 per share (2004 £122.81)	8,000	7,000
	<u>11,000</u>	<u>10,000</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

## 8. TANGIBLE FIXED ASSETS

	Improvements to Short Leasehold Buildings £000s	Plant, Machinery & Equipment £000s	Total £000s
<b>Cost</b>			
At 1 April 2004	950	13,194	14,144
Additions	-	1,074	1,074
Adjustment	-	-	-
At 31 March 2005	<u>950</u>	<u>14,268</u>	<u>15,218</u>
<b>Depreciation</b>			
At 1 April 2004	356	10,463	10,819
Charge for the year	44	1,163	1,207
Adjustment	-	-	-
At 31 March 2005	<u>400</u>	<u>11,626</u>	<u>12,026</u>
<b>Net Book Amount</b>			
At 31 March 2005	<u>550</u>	<u>2,642</u>	<u>3,192</u>
At 31 March 2004	<u>594</u>	<u>2,731</u>	<u>3,325</u>

## 9. INVESTMENTS

	2005 £000s	2004 £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

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 Norcros (Holdings) Ltd, a company registered in England, which produces consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

## 10. FUTURE COMMITMENTS

### Capital

	2005 £000s	2004 £000s
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	296

### Contingent liabilities

The company had no contingent liabilities at the year end while in 2004, there was £112,900 in respect of standby letters of credit that had 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:

	2005 Property £000s	2004 Property £000s	2005 Equipment £000s	2004 Equipment £000s
Within one year	-	-	39	64
Two to five years	-	-	250	220
Over five years	552	506	16	15
	<u>552</u>	<u>506</u>	<u>305</u>	<u>299</u>

## 11. STOCK

	2005 £000s	2004 £000s
<b>Stock comprise:</b>		
Raw materials and consumables	2,164	1,161
Finished goods	1,759	1,509
	<u>3,923</u>	<u>2,670</u>

## 12. DEBTORS

	2005 £000s	2004 £000s
<b>Amounts falling due within one year:</b>		
Trade debtors	9,467	9,892
Amounts due from fellow group undertakings	17	7
Other debtors	95	139
Prepayments and accrued income	526	375
	<u>10,105</u>	<u>10,413</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

## 13. CREDITORS

	2005 £000s	2004 £000s
<b>Amounts falling due within one year:</b>		
Trade creditors	5,812	5,526
Amounts owed to parent undertaking	460	260
Amounts owed to fellow group undertakings	2,505	2,505
Dividends payable	8,000	7,000
Other taxation and social security payable	861	536
Accruals and other creditors	3,288	3,217
Deferred income	602	532
	<u>21,528</u>	<u>19,576</u>

## 14. PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty Provision £000s
At 1 April 2004 as restated	910
Utilised in year	(910)
Charge in the profit and loss account	915
At 31 March 2005	<u>915</u>

A provision of £915,000 has been recognised for expected standard claims on products which remain under warranty. It is expected that all of this expenditure will be incurred in the next financial year.

### Deferred Taxation

The full potential asset for deferred taxation is as follows:

	2005 £000s	2004 £000s
Accelerated capital allowances	<u>678</u>	<u>817</u>

The deferred tax asset noted above has not been recognised in the year (2004: Nil) because in the view of the directors, whilst the company is covered by the taxation indemnity, as per Note 6, the asset is not recoverable.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

## 15. CALLED UP SHARE CAPITAL

	2005 £000s	2004 £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>

## 16. MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £000s	2004 £000s
Profit for the year	12,157	11,136
Dividend	(11,000)	(10,000)
Net addition to shareholders' funds	<u>1,157</u>	<u>1,136</u>
Shareholders' funds as at 1 April	<u>4,047</u>	<u>2,911</u>
Shareholders' funds as at 31 March	<u>5,204</u>	<u>4,047</u>

## 17. RESERVES

	Share premium account £000s	Profit and loss Account £000s
At 1 April 2004	2,462	1,528
Retained profit for the year	-	1,157
At 31 March 2005	<u>2,462</u>	<u>2,685</u>

## 18. PENSION COMMITMENTS

The company adheres to the Norcros Security Plan, which is a defined benefit scheme. In line with Financial Reporting Standard ('FRS') 17, 'Retirement Benefits', because it is not possible to identify the individual assets and liabilities of the Norcros group schemes that relate to the company's employees and directors, the directors have accounted for the scheme as a defined contribution scheme. Contributions are based on pension costs for the whole group and for the year to 31 March 2005 are at a rate of 11.8% of pensionable earnings. An actuarial valuation of the Plan was undertaken on 31 March 2003. Details of the group scheme can be found in the financial statements of Norcros (Holdings) Ltd.

The latest actuarial valuation of the scheme, updated at the balance sheet date for the purposes of making the transitional disclosures in accordance with FRS 17, shows a deficit £6.3m.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2005 (continued)

### 18. PENSION COMMITMENTS (CONTINUED)

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

	2005 £000s	2004 £000s
Employer contributions charged in the year were:		
Defined Benefit Scheme	357	342
Defined Contribution Scheme	<u>87</u>	<u>43</u>

An amount of £37,473 (2004: £36,130) is included within creditors, which represents the excess of the accumulated pension cost over the payment of contributions to the defined benefit pension fund. An amount of £16,908 (2004: £6,710) is included within creditors, which represents the excess of the accumulated pension cost over the payment of contributions to the defined contribution pension fund.

### 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 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.

### 21. 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 are both the smallest and largest set of group financial statements, into which the company's financial statements are consolidated. The company's immediate holding company is Norcros Ltd. A copy of Norcros (Holdings) Ltd accounts may be obtained from Companies House, Maindy, Cardiff.