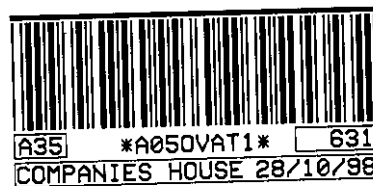


Company Registration No: 1211050

**TRITON PLC**

**Financial Statements**

**31st March 1998**



## **TRITON PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 1998**

The directors present their report and the audited financial statements for the year ended 31st March 1998.

#### **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 satisfactory sales and, with effective reduction of costs, was able to achieve profit margin improvement in a very competitive market place.

#### **RESULTS AND DIVIDENDS**

	<b>£000s</b>
The profit for the year after taxation amounts to	7,550
On the profits for the year, a final dividend is proposed of	<u>(7,500)</u>
Transfer to reserves of	<u>50</u>

#### **TAXATION**

Norcros plc 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. The directors have received assurances that Norcros plc at this time has no plans involving the disposal of shares in the Company.

#### **DIRECTORS**

The following served as directors throughout the year:

Mr J Matthews (Chairman)  
Mr E W Goold  
Mr T E Applegate  
Ms L Fellowes  
Mr R W Hodgkinson  
Mr J B McCarthy  
Mr R S Taylor

#### **DIRECTORS' INTERESTS**

Mr J Matthews is a director of the Company's ultimate holding company, Norcros plc, and therefore his interests in the shares of Norcros plc are disclosed in the financial statements of Norcros plc.

## TRITON PLC

According to the register kept by the Company, the other directors who held office at 31st March 1998 had the following interests in the shares of Norcros plc:

	31st March 1998			31st March 1997		
	Ordinary 25p Shares	Executive Share Options	SAYE Share Options	Ordinary 25p Shares	Executive Share Options	SAYE Share Options
Mr E W Goold	1,285	66,370 <sup>(1)</sup> 90,000 <sup>(3)</sup>	13,928 <sup>(4)</sup>	1,285	76,761 <sup>(1)</sup> 60,000 <sup>(3)</sup>	15,416 <sup>(2)</sup> 8,013 <sup>(4)</sup>
Mr T E Applegate		25,000 <sup>(3)</sup>	17,410 <sup>(4)</sup>		10,000 <sup>(3)</sup>	
Ms L Fellowes		46,000 <sup>(3)</sup>	17,410 <sup>(4)</sup>		31,000 <sup>(3)</sup>	10,384 <sup>(4)</sup>
Mr R Hodgkinson		61,370 <sup>(1)</sup> 68,000 <sup>(3)</sup>			61,370 <sup>(1)</sup> 50,000 <sup>(3)</sup>	
Mr J B McCarthy		52,000 <sup>(3)</sup>	17,410 <sup>(4)</sup>		37,000 <sup>(3)</sup>	13,356 <sup>(4)</sup>
Mr R S Taylor		45,000 <sup>(3)</sup>	12,535 <sup>(4)</sup>		30,000 <sup>(3)</sup>	13,356 <sup>(4)</sup>

<sup>(1)</sup> Shares represented by options to purchase acquired under the terms of Norcros plc 1985 Executive Share Option Scheme, at option prices ranging from 106.82p to 358.93p per ordinary share, and exercisable at various dates up to July 2004.

<sup>(2)</sup> Shares represented by options to purchase acquired under the terms of the Norcros plc Savings Related Share Option Scheme, at option prices ranging between 87.57p and 251.16p per ordinary share, and exercisable between 6th March 1996 and 28th February 2000.

<sup>(3)</sup> Shares represented by options to purchase acquired under the terms of Norcros plc 1996 Executive Share Option scheme, at option prices ranging between 72.5p and 90.5p per ordinary share, and exercisable between September 1999 and August 2007.

<sup>(4)</sup> Shares represented by options to purchase acquired under the terms of Norcros Plc Savings Related Share Option Scheme at option prices ranging between 56p and 73p per ordinary share, and exercisable between February 2000 and April 2002.

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

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.

## **TRITON PLC**

The Company benefits from directors' and officers' liability insurance, arranged by Norcros plc, 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.

### **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**

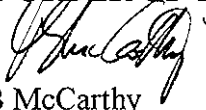
The Company's current policy concerning the majority of payments to suppliers of goods and services is to follow the CBI's Prompt Payers Code. Other suppliers are paid in accordance with negotiated terms.

### **YEAR 2000 PROGRAMME AND EUROPEAN MONETARY UNION**

The Company has implemented a programme throughout all its operations to address the Year 2000 issue. In the absence of unforeseen circumstances, it is the Directors' intention that this programme will be completed in the current financial year. The Year 2000 problem is, however, unique and there can be no assurance that the steps taken will successfully eliminate the problems associated with the transition to the Year 2000 or that if problems occur, they will not have an effect on the Company's operations and financial performance. However, the Company believes that the plans that have been established in our business to minimise these risks, should lead to a satisfactory solution to the Year 2000 issue. The current estimate of costs is £20,000.

A similar programme is also underway in respect of issues arising from the introduction of EMU, the costs of which are not anticipated to be material.

### **BY ORDER OF THE BOARD**



J B McCarthy  
Secretary  
24th June 1998

## 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

A handwritten signature in black ink, appearing to read 'J B McCarthy', is written over a horizontal line.

J B McCarthy  
Secretary  
24th June 1998

**TRITON PLC**

## **REPORT OF THE AUDITORS**

To the members of TRITON PLC.

We have audited the financial statements on pages 6 to 15.

### **Respective Responsibilities of Directors and Auditors**

As described on page 4, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **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 consider 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 and the Group at 31st March 1998, and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**COOPERS & LYBRAND**

Chartered Accountants and Registered Auditors

Birmingham

24th June 1998

**TRITON PLC****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH 1998**

	Notes	1998 £000s	1997 £000s
<b>TURNOVER</b>	2	<u>40,415</u>	<u>39,011</u>
Operating Profit	3	<u>7,402</u>	<u>5,309</u>
Net Interest	4	<u>148</u>	<u>80</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	7,550	5,389
Taxation	7	-	-
Profit on Ordinary Activities after Taxation		<u>7,550</u>	<u>5,389</u>
Dividends	8	(7,500)	(5,311)
<b>TRANSFER TO RESERVES</b>	17	<u>50</u>	<u>78</u>

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

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

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

TRITON PLC

BALANCE SHEET AS AT 31st MARCH 1998

	Notes	1998 £000s	1997 £000s
<b>FIXED ASSETS</b>			
Tangible Assets	9	4,869	5,433
Investments	10	2,468	2,468
		<u>7,337</u>	<u>7,901</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,478	3,372
Debtors	13	8,653	5,977
Cash at bank and in hand		7,106	6,042
		<u>18,237</u>	<u>15,391</u>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	14	<u>(18,542)</u>	<u>(16,737)</u>
<b>NET CURRENT ASSETS</b>		<u>(305)</u>	<u>(1,346)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,032	6,555
Creditors: Amounts falling due after more than one year	14	(3,545)	(3,118)
		<u>3,487</u>	<u>3,437</u>
Financed by:			
<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	968	918
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>3,487</u>	<u>3,437</u>

The accounts on pages 6 to 15 were approved by the board of directors on 24th June 1998 and were signed on its behalf by:

E W Goold )

) Directors

J B McCarthy )

*E W Goold*

*J B McCarthy*



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 1998**

### **1. STATEMENT OF ACCOUNTING POLICIES**

#### **Accounting Convention**

The financial statements have been prepared on the historical cost basis of accounting, modified to include the revaluation of certain properties, and in accordance with applicable Accounting Standards in the United Kingdom.

#### **Accounting Reference Date**

All figures have been made up to Sunday, 29th March 1998.

#### **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 20%, motor vehicles are 25% and computer equipment between 20% and 33%.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1998 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. Pension costs have been calculated in accordance with SSAP24.

**Cash Flow Statement**

The Company has not published a cash flow statement as its parent company, Norcros plc, includes a consolidated cash flow statement in its accounts.

**2. TURNOVER**

	<b>1998</b>	<b>1997</b>
	<b>£000s</b>	<b>£000s</b>
United Kingdom	34,160	33,270
Overseas	6,255	5,741
	<u>40,415</u>	<u>39,011</u>

**3. OPERATING PROFIT**

	<b>1998</b>	<b>1997</b>
	<b>£000s</b>	<b>£000s</b>
<b>TURNOVER</b>	40,415	39,011
Cost of Sales	<u>(21,910)</u>	<u>(23,454)</u>
<b>GROSS PROFIT</b>	18,505	15,557
Distribution, Marketing and Sales Costs	(6,161)	(6,210)
Administration Expenses	(4,127)	(3,376)
Research and Development Costs	<u>(815)</u>	<u>(662)</u>
<b>OPERATING PROFIT</b>	<u>7,402</u>	<u>5,309</u>

**4. INTEREST**

	<b>1998</b>	<b>1997</b>
	<b>£000s</b>	<b>£000s</b>
<b>Cash at bank, less overdrafts and other loans:</b>		
Interest receivable - Bank	176	93
- Fellow Group Undertakings	39	-
Less: Repayable within 5 years, not by instalments		
- Bank	(28)	(13)
- Ultimate Holding Company	<u>(39)</u>	<u>-</u>
	<u>148</u>	<u>80</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1998 continued**

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1998 £000s	1997 £000s
<b>Profit on ordinary activities before taxation is stated after crediting:</b>		
Rent receivable	110	68
Profit arising on sale of fixed assets	2	5
<b>and is after charging:</b>		
Depreciation of tangible fixed assets	(1,542)	(1,442)
Research and development costs	(815)	(662)
Auditors' remuneration (including expenses) for:		
Audit	(21)	(20)
Other	(14)	(8)
Hire of plant and machinery	(5)	(18)
Operating lease rentals:		
Property	(540)	(541)
Equipment	(246)	(189)

**6. DIRECTORS AND EMPLOYEES**

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

	1998 Number	1997 Number
Management and Administration	39	37
Production, Research and Development	202	220
Sales, Marketing and Service	189	178
	430	435

	1998 £000s	1997 £000s
<b>Staff costs (for the above persons):</b>		
Wages and Salaries	6,747	6,630
Social Security costs	525	497
Other Pensions costs	204	185
	7,476	7,312

	1998 £000s	1997 £000s
<b>Directors:</b>		
Aggregate Emoluments	452	487
Company pension contributions to money purchase schemes	19	16

Retirement benefits are accruing to two directors under a money purchase pension scheme and to three directors under a defined benefit scheme.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH 1998 continued

### 6. DIRECTORS AND EMPLOYEES continued

Highest Paid Director	1998 £000s	1997 £000s
Aggregate emoluments	136	150
Company pension contributions to money purchase scheme	17	15

### 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 plc.

### 8. DIVIDENDS

	1998 £000s	1997 £000s
Dividends on equity shares:		
Ordinary - Final proposed of £131.58 per share (1997 £93.17)	7,500	5,311

### 9. TANGIBLE FIXED ASSETS

	Land and Buildings £000s	Plant, Machinery, Equipment and Motor Vehicles £000s	Total £000s
<b>Cost or Valuation</b>			
At 1st April 1997	1,838	11,670	13,508
Additions	22	1,952	1,974
Reclassification	87	(87)	-
Disposals	(1,000)	(4,468)	(5,468)
At 31st March 1998	947	9,067	10,014
<b>Depreciation</b>			
At 1st April 1997	(50)	(8,025)	(8,075)
Charge for the year	(44)	(1,498)	(1,542)
Eliminated in respect of disposals	10	4,462	4,472
At 31st March 1998	(84)	(5,061)	(5,145)
<b>Net Book Value</b>			
At 31st March 1998	863	4,006	4,869
At 31st March 1997	1,788	3,645	5,433

# TRITON PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 1998 continued

### 9. TANGIBLE FIXED ASSETS continued

Land and buildings at net book value comprise:

	1998 £000s	1997 £000s
Freeholds	-	990
Short Leaseholds	863	798
	<u>863</u>	<u>1,788</u>

If land and buildings had not been revalued they would have been included at:

	1998 £000s	1997 £000s
Cost	947	2,927
Aggregate Depreciation	(84)	(512)
	<u>863</u>	<u>2,415</u>

### 10. SHARES IN GROUP COMPANIES

	1998 £000s	1997 £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 accounts since it is a wholly owned subsidiary of Norcros plc, a company registered in England.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH 1998 continued**

**11. FUTURE COMMITMENTS****Capital**

	<b>1998</b> <b>£000s</b>	<b>1997</b> <b>£000s</b>
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	190
Capital expenditure that has been authorised by the directors but has not yet been contracted for	-	-

**Revenue**

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

	<b>1998</b> <b>Property</b> <b>£000s</b>	<b>1998</b> <b>Equipment</b> <b>£000s</b>	<b>1997</b> <b>Property</b> <b>£000s</b>	<b>1997</b> <b>Equipment</b> <b>£000s</b>
Within one year	21	1	-	18
Two to five years	54	300	123	240
Over five years	413	-	418	-
	<u>488</u>	<u>301</u>	<u>541</u>	<u>258</u>

**12. STOCKS**

	<b>1998</b> <b>£000s</b>	<b>1997</b> <b>£000s</b>
<b>Stocks comprise:</b>		
Raw materials and consumables	1,228	1,821
Work-in-progress	70	117
Finished goods	1,180	1,434
	<u>2,478</u>	<u>3,372</u>

**13. DEBTORS**

	<b>1998</b> <b>£000s</b>	<b>1997</b> <b>£000s</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	5,583	5,693
Amounts due from fellow group undertakings	815	-
Other debtors	221	133
Prepayments and accrued income	114	151
	<u>6,733</u>	<u>5,977</u>
<b>Amounts falling due after one year:</b>		
Amounts due from fellow group undertakings	<u>1,920</u>	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1998 continued**

**14. CREDITORS**

	<b>1998 £000s</b>	<b>1997 £000s</b>
<b>Amounts falling due within one year:</b>		
Trade creditors	4,203	5,223
Amounts owed to holding and ultimate holding company	20	41
Amounts owed to fellow group undertakings	2,510	2,505
Dividends payable	7,500	5,311
Other taxation and social security payable	920	787
Accruals and Provisions	3,389	2,870
	<u>18,542</u>	<u>16,737</u>
<b>Amounts falling due after more than one year:</b>		
Amount owed to holding and ultimate holding company	<u>3,545</u>	<u>3,118</u>

**15. CALLED UP SHARE CAPITAL**

	<b>1998 £000s</b>	<b>1997 £000s</b>
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. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1998 £000s</b>	<b>1997 £000s</b>
Retained Profit for the financial year	50	78
Opening shareholders' funds	3,437	3,359
Closing shareholders' funds	<u>3,487</u>	<u>3,437</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1998 continued**

**17. SHARE PREMIUM ACCOUNT AND RESERVES**

	Share premium account £000s	Profit and loss account £000s
At 1st April 1997	2,462	918
Retained profit for the year	-	50
At 31st March 1998	2,462	968

**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 1998 are at a rate of 8% of pensionable earnings. Details of the latest actuarial valuation can be found in the accounts of Norcros plc.

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

**19. GUARANTEES**

The Company has given unlimited joint guarantees to the principal bankers of Norcros plc (its parent Company) and the bankers of its fellow wholly owned UK trading subsidiaries, in respect of the facilities provided by those banks. No security has been given under the guarantees. At 31st March 1998, the company's joint and several contingent liability under the guarantees was £25.2m. The directors do not consider that any liability will arise under the guarantees.

**20. ULTIMATE HOLDING COMPANY**

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