

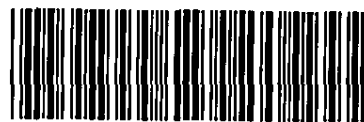
Company Registration No 1211050

TRITON PLC

Annual report for the year ended

31 March 2007

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TRITON PLC

Annual report for the year ended 31 March 2007

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TRITON PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 March 2007

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS

The Company increased its profitability during the year despite commodity prices affecting cost of sales. Turnover increased by 11.6% and operating profit increased by 6.6%. The operating profit margin percentage fell on the previous year by 1.1%. Operating cash flow fell by 12%, the improved operating profit was more than offset by increased working capital requirements.

During the year, the company incurred £1,276,000 (2006: £1,161,000) on Research and Development activities.

The principal risks to the Company include ongoing high commodity prices in respect of copper and brass together with pressure on selling prices, both from key customers and from competitor activity. However, further growth in the UK shower market together with ongoing new product launches should ensure continued growth for Triton PLC.

RESULTS AND DIVIDENDS

	2007	2006
	£000s	£000s
The profit for the year after taxation	13,083	12,281
Dividend paid and approved during the year	(12,000)	(20,000)
Transferred to/(from) reserves	<u>1,083</u>	<u>(7,719)</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.

**TRITON PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 March 2007 (continued)**

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 CJ Whitell 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.

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 continues to raise 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 for relevant personnel 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 each area 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 1994 and this was reconfirmed in February 2006.

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.

TRITON PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 March 2007 (continued)

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 2007 represents 57 days (2006 59 days) of average daily purchases.

DONATIONS

The company made charitable donations of £1,644 during the year (2006 £530). The company has not made any political donations in the year (2006 nil).

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a number of financial risks that include credit risk, liquidity risk and interest rate risk. The company has in place a risk management policy that includes the principle of maximising finance income from short-term deposits via the monitoring of cash balances and working capital requirements.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department as required.

Price Risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of actively managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Usually new customers are given cash accounts, then migrate to credit accounts once payment history is established. The company uses third party online credit evaluations as well as Companies House information, including latest financial statement submissions.

Liquidity Risk / Interest rate Cash Flow Risk

The company is in a cash pooling arrangement with its parent company Norcross Holdings Limited. As a result liquidity risk and interest rate risk is managed centrally by the parent company in conjunction with regular cash flow forecasts.

TRITON PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 March 2007 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 they have complied with the above requirements in preparing the financial statements

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

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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
29 May 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRITON PLC

We have audited the financial statements of Triton plc for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRITON PLC

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

11 JUNE 2007

TRITON PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2007**

	Notes	2007 £000s	2006 £000s
Turnover	2	<u>56,373</u>	<u>50,519</u>
Operating profit	3	12,720	11,933
Interest receivable and similar items	4	<u>363</u>	<u>348</u>
Profit on ordinary activities before taxation		13,083	12,281
Taxation	6	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		13,083	12,281
Dividend	7	<u>(12,000)</u>	<u>(20,000)</u>
Profit/(loss) for the financial year	15	<u>1,083</u>	<u>(7,719)</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 above and the results on an unmodified historical cost basis

TRITON PLC

BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £000s	2006 £000s
Fixed assets			
Tangible assets	8	<u>2,823</u>	<u>3,060</u>
Current assets			
Stock	10	5,088	4,093
Debtors	11	9,376	10,755
Cash at bank and in hand		<u>8,449</u>	<u>6,751</u>
		<u>22,913</u>	<u>21,599</u>
Creditors- Amounts falling due within one year	12	<u>(18,158)</u>	<u>(18,294)</u>
Net current assets/(liabilities)		<u>4,755</u>	<u>3,305</u>
Total assets less current liabilities		7,578	6,365
 Provisions for liabilities and charges	13	 <u>(1,010)</u>	 <u>(880)</u>
NET ASSETS		<u><u>6,568</u></u>	<u><u>5,485</u></u>
Financed by			
CAPITAL AND RESERVES			
Called up share capital	14	57	57
Share premium account	15	2,462	2,462
Profit and loss account	15	<u>4,049</u>	<u>2,966</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	16	<u><u>6,568</u></u>	<u><u>5,485</u></u>

The financial statements on pages 7 to 17 were approved by the board of directors on 29 May 2007 and were signed on its behalf by

L Fellowes)

)

Directors

C J Whitell)

)

Lama Fellowes
C J Whitell

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007**

1. STATEMENT OF ACCOUNTING POLICIES

Basis of accounting

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. A summary of the more important accounting policies, which have been applied consistently unless otherwise stated, is set out below.

Accounting reference date

All figures have been made up to Sunday, 1 April 2007.

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 and settlement discount 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

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at monetary 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007 (continued)**

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Pensions

The company participates in 2 pension schemes, a defined benefit scheme and a defined contribution scheme. Pension costs are accounted for in accordance with FRS17 'Retirement Benefits'. The company contributes to a Norcross security plan, final salary pension scheme for eligible employees. However, the contributions paid by the company are accounted for as if the scheme were a defined contribution scheme as the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The cost of contributions to the group scheme are based on pension costs across all companies participating in the scheme being a percentage of pensionable salary. The pension contributions in respect of both these schemes are charged to the profit and loss account in the year they fall due.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007 (continued)**

2. TURNOVER

	2007 £000s	2006 £000s
United Kingdom	44,526	40,918
Overseas	11,847	9,601
	<u>56,373</u>	<u>50,519</u>

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

3. OPERATING PROFIT

	2007 £000s	2006 £000s
TURNOVER	56,373	50,519
Cost of Sales	(32,523)	(27,940)
GROSS PROFIT	23,850	22,579
Distribution, Marketing and Sales Costs	(5,914)	(5,684)
Administration Expenses	(5,216)	(4,962)
OPERATING PROFIT	<u>12,720</u>	<u>11,933</u>

Operating profit is stated after crediting/(charging):

Rent receivable	55	55
Depreciation of tangible fixed assets	(1,254)	(1,157)
Research and development costs	(1,276)	(1,161)
Auditors' remuneration (including expenses) for		
Audit services	(27)	(26)
Operating lease rentals		
Property	(552)	(552)
Equipment	(326)	(319)

4. INTEREST RECEIVABLE AND SIMILAR ITEMS

	2007 £000s	2006 £000s
Interest receivable on bank balances	363	311
Dividend received	-	37
	<u>363</u>	<u>348</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007 (continued)**

5. DIRECTORS AND EMPLOYEES

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

	2007 Number	2006 Number
Management and administration	36	33
Production, research and development	193	189
Sales, marketing and customer service	203	205
	<u>432</u>	<u>427</u>

	2007 £000s	2006 £000s
Staff costs (for the above persons):		
Wages and Salaries	9,053	8,318
Social Security costs	760	734
Other Pensions costs	516	499
	<u>10,329</u>	<u>9,551</u>

Directors' emoluments

	2007 £000s	2006 £000s
Aggregate emoluments	<u>746</u>	<u>636</u>
Retirement benefits accrued to five directors (2006 – five directors) under a defined benefit scheme		

Highest paid director

	2007 £000s	2006 £000s
Aggregate emoluments	<u>210</u>	<u>181</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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007 (continued)

6. TAXATION (CONTINUED)

The tax assessed for the period is lower than standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £'000s	2006 £'000s
Profit on ordinary activities before taxation	13,083	12,281
Profit on ordinary activities before taxation multiplied by standard rate in the UK 30% (2006 30%)	3,925	3,684
Expenses not deductible for tax purposes	17	8
Research and development tax credits	-	(63)
Accelerated capital allowances	(280)	(110)
Group relief claimed not paid	(3,662)	(3,519)
Total current tax charge	-	-

7 DIVIDEND

	2007 £000s	2006 £000s
Dividend on ordinary shares		
Interim paid of £70 18 per share (2005 £70 18)	4,000	4,000
Final dividend paid for 2005 of £140 35 per share	-	8,000
Final dividend paid for 2006 of £140 35 per share	-	8,000
Final dividend approved for 2007 of £140 35 per share	8,000	-
	12,000	20,000

8. TANGIBLE FIXED ASSETS

	Improvements to Short Leasehold Buildings £000s	Plant, Machinery & Equipment £000s	Total £000s
Cost			
At 1 April 2006	950	15,293	16,243
Additions	-	1,017	1,017
At 31 March 2007	950	16,310	17,260
Depreciation			
At 1 April 2006	445	12,738	13,183
Charge for the year	44	1,210	1,254
At 31 March 2007	489	13,948	14,437
Net Book Amount			
At 31 March 2007	505	2,362	2,823
At 31 March 2006	461	2,555	3,060

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007 (continued)**

9. FUTURE COMMITMENTS

Capital

The company had no capital expenditure contracted for at the year end but not recognised in the financial statements (2006 nil)

Contingent liabilities

The company had no contingent liabilities at the year end or the prior year

Operating leases

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

	2007 Property £000s	2006 Property £000s	2007 Equipment £000s	2006 Equipment £000s
Within one year	-	-	51	85
Two to five years	-	-	265	233
Over five years	<u>552</u>	<u>552</u>	<u>-</u>	<u>14</u>
	<u>552</u>	<u>552</u>	<u>316</u>	<u>332</u>

10. STOCK

	2007 £000s	2006 £000s
Stock comprise:		
Raw materials and consumables	2,702	1,937
Finished goods	<u>2,386</u>	<u>2,156</u>
	<u>5,088</u>	<u>4,093</u>

11. DEBTORS

	2007 £000s	2006 £000s
Amounts falling due within one year:		
Trade debtors	8,846	8,537
Amounts due from parent undertaking	-	1,780
Amounts due from fellow group undertakings	9	23
Other debtors	61	57
Prepayments and accrued income	<u>460</u>	<u>358</u>
	<u>9,376</u>	<u>10,755</u>

The amounts owed by parent and group undertakings are unsecured, have no scheduled repayment date and are none interest bearing

TRITON PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2007 (continued)**

12. CREDITORS

	2007	2006
	£000s	£000s
Amounts falling due within one year:		
Trade creditors	5,654	5,435
Amounts owed to parent undertaking	217	-
Dividends payable	8,000	8,000
Other taxation and social security payable	437	375
Accruals and other creditors	3,219	3,847
Deferred income	631	637
	<u>18,158</u>	<u>18,294</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty Provision £000s
At 1 April 2006	880
Utilised in year	(880)
Charged into the profit and loss account	1,010
At 31 March 2007	<u>1,010</u>

A provision of £1,010,000 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

	2007	2006
	£000s	£000s
Accelerated capital allowances	<u>1,228</u>	<u>568</u>

The deferred tax asset noted above has not been recognised in the year (2006 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.

TRITON PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2007 (continued)

14. CALLED UP SHARE CAPITAL

	2007 £000s	2006 £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>

15. RESERVES

	Share premium account £000s	Profit and loss Account £000s
At 1 April 2006	2,462	2,966
Profit for the financial year transferred to reserves	-	1,083
At 31 March 2007	<u>2,462</u>	<u>4,049</u>

16. MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £000s	2006 £000s
Opening equity shareholders' funds	5,485	13,204
Profit for the year	13,083	12,281
Dividend paid	(12,000)	(20,000)
Net addition/(reduction) to shareholders' funds	<u>1,083</u>	<u>(7,719)</u>
Closing equity shareholders' funds	<u>6,568</u>	<u>5,485</u>

17. 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 2007 are at a rate of 11.8% of pensionable earnings. An actuarial valuation of the Plan was undertaken on 31 March 2003. The disclosure of the surplus arising under the group pension scheme is contained in the group accounts of Norcros (Holdings) Ltd which is calculated in accordance with International Accounting Standard 19 'Employee Benefits'.

The latest actuarial valuation of the scheme, updated at the balance sheet date in accordance with IAS 19, shows a surplus of £13.4m.

TRITON PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2007 (continued)

17. PENSION COMMITMENTS (CONTINUED)

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

	2007 £000s	2006 £000s
Employer contributions charged in the year were		
Norcros Security Plan	383	371
Norcros Pension Builder Scheme	<u>130</u>	<u>127</u>

An amount of £40,067 (2006 £39,094) is included within creditors, which represents the employee and employer contributions for the defined benefit pension fund relating to March payroll paid to the fund in April. An amount of £16,407 (2006 £16,259) is included within creditors, which represents the employee and employer contributions for the defined contribution pension fund relating to March payroll paid to the fund in April.

18. 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.

19. CASH FLOW STATEMENT AND RELATED PARTY 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.

20. 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, Mandy, Cardiff.