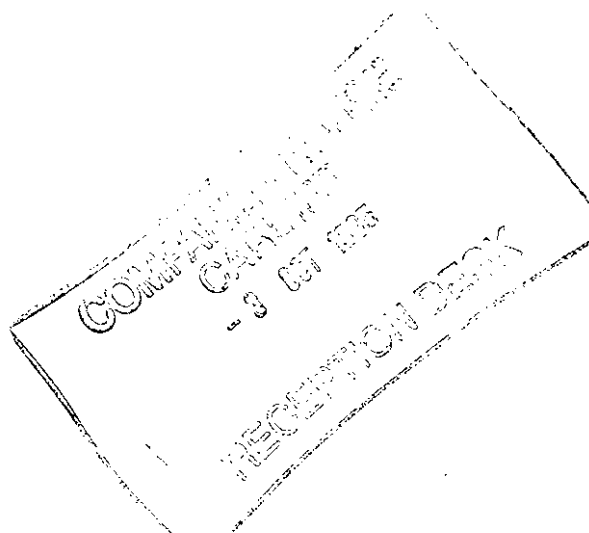


CARADON BATHROOMS LIMITED
(Registered Number 546129)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1994



CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Directors present their annual report together with the audited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity is the manufacture and sale of bathroom and ancillary fittings for the UK and overseas markets. Despite the continuing difficult economic trading position, the Company significantly improved its trading performance during the year.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £254,000 (Year ended 31 December 1993, loss: £5,938,000), which has been transferred to reserves. The Directors do not recommend payment of a final dividend (1993 - £Nil).

DIRECTORS AND DIRECTORS' INTERESTS

The composition of the Board of Directors during the year, and to the date of this report, was as follows:

D C Cohen
C R E Kitching
B Strawson
J Carrier (appointed 1 June 1994)
P J Roberts (appointed 2 June 1994)
J Freund (appointed 29 December 1994)
D W Tilman (appointed 29 December 1994)
T J Monks (resigned 1 June 1994)
G H L Croy (resigned 5 August 1994)
T Walker (resigned 29 December 1994)
G C McLean (resigned 13 January 1995)

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

DIRECTORS AND DIRECTORS' INTERESTS (CONTINUED)

None of the Directors held any beneficial interests in shares in the Company during the year.

The interests of the Directors in the issued Ordinary share capital, Preference shares and Loan notes of Caradon plc, the ultimate parent undertaking, are as follows:

	31 December, 1994		31 December, 1993 or date of appointment	
	Ordinary Shares	Options Over Ordinary Shares	Ordinary Shares	Options Over Ordinary Shares
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
J Carrier	-	8,571	-	-
J Freund	-	115,109	-	115,109
B Strawson	-	39,742	-	39,241
D W Tilman	12,700	67,513	12,700	67,513
C R E Kitching	-	49,001	-	43,796
P J Roberts	-	5,376	-	5,376

The corresponding interests of D C Cohen who is also a Director of Caradon plc, are disclosed in the financial statements of that company, being the ultimate parent undertaking and are therefore not shown above.

The following options over Ordinary shares of Caradon plc were granted to, or exercised by, the Directors during the year.

<u>Director</u>	<u>Options Granted</u> (No of shares)	<u>Options Exercised</u> (No of shares)
C R E Kitching	5,205	-
B Strawson	501	-
J Carrier	8,571	-

No Director was or is interested in any contract subsisting during or at the end of the year which was significant in relation to the Company's business.

The Company has continued to provide liability insurance for its Directors and officers as permitted by the Companies Act 1985.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Options reported above have been granted under the rules of Caradon plc's Savings Related and Executive Share Option Schemes.

Options under the Savings Related Share Option Schemes are normally exercisable between 1995 and 2001 at prices ranging between 176p and 290p per share.

Options under the Executive Share Option Schemes are normally exercisable between three and ten years from the date of grant at prices ranging between 79p and 341p per share.

RESEARCH AND DEVELOPMENT

The Company commits sufficient resources to research and development so as to ensure that it maintains its competitive position in the market.

EMPLOYEE PARTICIPATION

The Company is committed to employee participation and encourages the development of co-operation with employees.

Disabled persons - The Company has continued to examine ways and means of providing employment for disabled employees, under normal terms and conditions, with opportunities for training, career development and promotion as appropriate. The Company's policy on the employment of disabled persons has been applied as sympathetically and positively as possible.

DONATIONS

Charitable donations - Donations to charitable organisations amounted to £10,609 (1993: £8,999). No payments were made during the year for political purposes (1993: £NIL).

FIXED ASSETS

Information relating to the tangible fixed assets and investments of the Company is given in notes 8 and 9.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Price Waterhouse as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



K D RICHARDSON
Secretary

28 April 1995

Richard

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act 1985 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the financial year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to do so.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE SHAREHOLDERS OF CARADON BATHROOMS LIMITED

We have audited the financial statements on pages 6 to 20 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 and 10.

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.

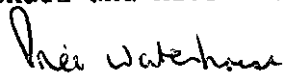
Basis of Opinion

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 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 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants and Registered Auditors
York House
York Street
Manchester
M2 4WS

28 April 1995

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> £'000	<u>1993</u> £'000
Turnover	2	74,055	73,048
Raw materials and consumables		(21,012)	(19,869)
Other external charges			
- continuing operations		(23,290)	(24,761)
- restructuring costs		-	(1,045)
Staff costs	4,5	(24,491)	(23,914)
Depreciation	8	(3,764)	(3,644)
Change in stocks of finished goods and work in progress			
- continuing operations		(256)	(4,329)
- restructuring costs		-	(1,200)
Operating profit / (loss)		1,242	(5,714)
Net interest	6	-	10
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,242	(5,704)
Taxation on profit/(loss) on ordinary activities	7	(988)	(234)
RETAINED PROFIT/(LOSS) FOR THE YEAR	15	254	(5,938)

The notes on pages 9 to 20 form part of these financial statements.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> £'000	<u>1993</u> £'000
FIXED ASSETS			
Tangible assets	8	36,122	38,214
Investments	9	4,511	4,511
		<u>40,633</u>	<u>42,725</u>
CURRENT ASSETS			
Stocks	10	15,751	15,877
Debtors	11	34,415	37,825
Cash at bank and in hand		2,912	2,017
		<u>53,078</u>	<u>55,719</u>
CREDITORS (amounts falling due within one year)	12	(19,319)	(24,761)
		<u>33,759</u>	<u>30,958</u>
NET CURRENT ASSETS			
		<u>33,759</u>	<u>30,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,392</u>	<u>73,683</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13	(785)	(330)
		<u>73,607</u>	<u>73,353</u>
NET ASSETS		<u>73,607</u>	<u>73,353</u>
CAPITAL AND RESERVES			
Called up share capital	14	37,465	37,465
Share premium account	15	31,363	31,363
Revaluation reserve	15	2,954	3,520
Profit and loss account	15	1,825	1,005
		<u>73,607</u>	<u>73,353</u>

These financial statements were approved by the Board of Directors on 28 April 1995.

DIRECTOR



The notes on pages 9 to 20 form part of these financial statements.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

STATEMENT OF TOTAL RECOGNISED
GAINS AND LOSSES

	<u>1994</u> £'000	<u>1993</u> £'000
Profit/(loss) for the financial year	254	(5,938)
Unrealised surplus on revaluation of properties	-	3,166
Total recognised gains and losses	<u>254</u>	<u>(2,772)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>1994</u> £'000	<u>1993</u> £'000
Reported profit/(loss) on ordinary activities before taxation	1,242	(5,704)
Realisation of property revaluation gains of previous years	455	-
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	111	-
Historical cost profit on ordinary activities before taxation	<u>1,808</u>	<u>(5,704)</u>
Historical cost retained profit for the year	<u>820</u>	<u>(5,938)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u> £'000	<u>1993</u> £'000
Profit/(loss) on ordinary activities after taxation	254	(5,938)
Unrealised surplus on revaluation of properties	-	3,166
Net movement in shareholders' funds	<u>254</u>	<u>(2,772)</u>
Shareholders' funds at 1 January 1994	73,353	76,125
Shareholders' funds at 31 December 1994	<u>73,607</u>	<u>73,353</u>

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

(b) Turnover

Turnover represents the invoiced value of sales made to third parties, net of Value Added Tax.

(c) Depreciation and Amortisation

Tangible fixed assets are stated at cost with the exception of certain land and buildings which are stated at valuation.

No depreciation is provided on land. The revalued amounts of buildings are being written off over their estimated useful lives on a straight line basis. Long leasehold properties are amortised over 40 years. Short leasehold properties are amortised over the life of the lease.

For all other assets, depreciation is provided to write off the book amount of those assets over their expected useful lives at the following rates per annum:

Freehold buildings	- 3% - 10%
Plant, machinery and tools	- 3% - 20%
Fixtures and fittings	- 10% - 33%
Motor vehicles	- 20% - 33%

(d) Research and Development

All expenditure on research and development is written off in the year in which it is incurred.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Stocks

Stocks and work in progress are stated at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, labour and attributable overheads.

(f) Leases and Hire Purchase Contracts

Rentals under operating leases are charged to the profit and loss account, as incurred, over the term of the lease.

(g) Foreign Currencies

Trading items are translated into sterling at average rates of exchange for the relevant accounting period. Balance sheet items in foreign currencies are translated into sterling at mid-market rates of exchange at the balance sheet date. All foreign currency gains and losses are taken to the profit and loss account.

(h) Deferred Taxation

Deferred taxation is provided on the liability method at current rates of taxation in respect of short term timing differences between profits computed for taxation purposes and profits as stated in the financial statements. Provision is made for other timing differences where a liability is expected to arise in the foreseeable future.

(i) Pensions

The retirement benefit obligations of the Company are financed by contributions to separate group funds, which are subject to actuarial valuations every three years.

Pension costs in respect of employees who are members of the Caradon Group's Pension Schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the Schemes.

(j) Investments

Investments in subsidiary undertakings are stated at cost less amounts written off.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. TURNOVER AND OPERATING PROFIT

Set out below is an analysis of the destination of turnover by geographical area:

	Year ended <u>31 December 1994</u>	Year ended <u>31 December 1993</u>
	£'000	£'000
United Kingdom	60,020	59,245
Continental Europe	1,991	849
United States of America	7	2
Rest of the World	12,037	12,952
	<u>74,055</u>	<u>73,048</u>

Turnover and operating profit derive from continuing activities, there having been no discontinued operations or material acquisitions in the year.

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after the following:

	Year ended <u>31 December 1994</u>	Year ended <u>31 December 1993</u>
	£'000	£'000
Amounts charged by the Company's auditors:		
Audit fees and expenses	43	60
Tax and consultancy fees	5	28
Hire of plant & machinery	157	135
Rentals payable under operating leases:		
- Plant and machinery	57	89
Research & development expenditure	205	251
Profit on sale of fixed assets	(101)	(27)
Exceptional items		
- restructuring costs	-	2,245

The source of all profits of the Company is within the United Kingdom.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. EMPLOYEES

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

	Year ended <u>31 December 1994</u>	Year ended <u>31 December 1993</u>
	Number	Number
Manufacturing	901	915
Selling and distribution	396	425
Administration	95	81
	<u>1,392</u>	<u>1,421</u>

The aggregate payroll cost of these persons was:

	Year ended <u>31 December 1994</u>	Year ended <u>31 December 1993</u>
	£'000	£'000
Wages and salaries	22,598	22,083
Social security costs	1,804	1,749
Other pension costs (Note 16)	89	82
	<u>24,491</u>	<u>23,914</u>

5. EMOLUMENTS OF DIRECTORS

(a) The aggregate remuneration (including pension contributions) of the Directors was:

	Year ended <u>31 December 1994</u>	Year ended <u>31 December 1993</u>
	£'000	£'000
Remuneration	452	456
Other emoluments and benefits	39	-
Compensation for loss of office	-	182
Pensions (including past Directors)	53	83
	<u>544</u>	<u>721</u>

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. EMOLUMENTS OF DIRECTORS (Continued)

(b) Emoluments (excluding pension contributions) of the Directors were:

	Year ended <u>31 December 1994</u> £'000	Year ended <u>31 December 1993</u> £'000
i) Chairman	-	-
ii) The highest paid Director	<u>216</u>	<u>79</u>
iii) Others	<u>Number</u>	<u>Number</u>
£Nil	4	3
£25,001 - £30,000	1	-
£40,001 - £45,000	1	-
£45,001 - £50,000	-	1
£55,001 - £60,000	1	1
£60,001 - £65,000	1	2
£65,001 - £70,000	-	1
£80,001 - £85,000	1	-
	<u>9</u>	<u>8</u>

6. NET INTEREST

	Year ended <u>31 December 1994</u> £'000	Year ended <u>31 December 1993</u> £'000
Interest receivable on deposits	-	10
	<u> </u>	<u> </u>

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TAXATION

	Year ended <u>31 December 1994</u> £'000	Year ended <u>31 December 1993</u> £'000
Taxation on the profit for the year		
United Kingdom Corporation Tax at 33% (1993:33%)	443	(2,560)
Under/(over) provision in prior years	27	(26)
Surrender of Group Relief for nil consideration	-	2,560
Deferred tax (Note 13)	518	260
	<u>988</u>	<u>234</u>

The deferred tax charge for the current year reflects the annual re-assessment by the Directors of the reversals of accelerated capital allowances in the foreseeable future.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TANGIBLE FIXED ASSETS

Cost or Valuation:	Land and buildings Freehold £'000	Long leasehold £'000	Motor vehicles £'000	Fixtures and fittings £'000	Plant, machinery and tools £'000	Total £'000
At 1 January 1994	14,241	25	2,097	2,849	44,594	63,806
Additions	793	-	630	81	1,009	2,513
Disposals	(510)	-	(570)	(551)	(2,831)	(4,462)
At 31 December 1994	<u>14,524</u>	<u>25</u>	<u>2,157</u>	<u>2,379</u>	<u>42,772</u>	<u>61,857</u>
Depreciation:						
At 1 January 1994	4	5	1,252	1,629	22,702	25,592
Charge for the year	363	1	297	161	2,942	3,764
Disposals	-	-	(433)	(506)	(2,682)	(3,621)
At 31 December 1994	<u>367</u>	<u>6</u>	<u>1,116</u>	<u>1,284</u>	<u>22,962</u>	<u>25,735</u>
Net book value:						
At 31 December 1994	<u>14,157</u>	<u>19</u>	<u>1,041</u>	<u>1,095</u>	<u>19,810</u>	<u>36,122</u>
At 31 December 1993	<u>14,237</u>	<u>20</u>	<u>845</u>	<u>1,220</u>	<u>21,892</u>	<u>38,214</u>

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TANGIBLE FIXED ASSETS (CONTINUED)

Freehold land and buildings were valued as at 31 December 1993 by Healey & Baker, International Surveyors & Valuers, on the basis of open market values for existing use.

If freehold land and buildings had not been revalued they would have been included on a historic cost basis at the following amounts:

	<u>31 December 1994</u>	<u>31 December 1993</u>
	£'000	£'000
Net book amount	<u>9,035</u>	<u>9,644</u>
Depreciation in year	<u>195</u>	<u>194</u>

Freehold land and buildings includes freehold land not subject to depreciation amounting to £340,000 (31 December 1993 - £595,000).

9. FIXED ASSET INVESTMENTS

Shares in subsidiary undertakings :

<u>Name of Company</u>	<u>Country of incorporation</u>	<u>Cost</u>	
		<u>31 December 1994</u>	<u>31 December 1993</u>
		£'000	£'000
Caradon Twyfords Limited	Great Britain	2,528	2,528
Caradon Curran Limited	Great Britain	1,000	1,000
Alstone Limited	Great Britain	983	983
		<hr/>	<hr/>
		4,511	4,511
		<hr/>	<hr/>

The issued share capital of each subsidiary undertaking is in ordinary shares and is held 100% by Caradon Bathrooms Limited. Caradon Twyfords Limited, Caradon Curran Limited and Alstone Limited have not traded during the year.

In the opinion of the Directors the aggregate value of the Company's investment in the advances to its subsidiary undertakings is not less than the aggregate amount at which they are stated in the balance sheet.

The Company is a wholly owned subsidiary of Caradon Bathrooms (Holdings) Ltd. incorporated in Great Britain thus under Section 228 of the Companies Act 1985 is exempt from producing group financial statements.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. STOCKS

	<u>31 December 1994</u>	<u>31 December 1993</u>
	£'000	£'000
Raw materials and consumables	2,816	2,679
Work in progress	1,460	1,383
Finished goods and goods for resale	11,475	11,815
	<hr/>	<hr/>
	15,751	15,877
	<hr/>	<hr/>

11. DEBTORS

	<u>31 December 1994</u>	<u>31 December 1993</u>
	£'000	£'000
Trade debtors	12,497	15,041
Amounts owed by Group undertakings	20,177	20,817
Other debtors	106	217
Prepayments and accrued income	1,635	1,749
Corporation tax receivable	-	1
	<hr/>	<hr/>
	34,415	37,825
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>31 December 1994</u>	<u>31 December 1993</u>
	£'000	£'000
Trade creditors	6,968	7,735
Amounts owed to Group undertakings	6,674	13,544
Other creditors	684	697
Corporation tax	443	-
Social security and other taxes	1,533	474
Accruals and deferred income	3,017	2,311
	<hr/>	<hr/>
	19,319	24,761
	<hr/>	<hr/>

The amounts owed to group undertakings are interest free, with no specific terms of repayment.

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred taxation</u> £'000	<u>Reorganisation and redundancy</u> £'000	<u>Total</u> £'000
At 1 January 1994	267	63	330
Utilised in year	-	(63)	(63)
Charge for the year	518	-	518
	<hr/>	<hr/>	<hr/>
At 31 December 1994	785	-	785
	<hr/>	<hr/>	<hr/>

The amounts provided and not provided in respect of deferred taxation are set out below:

	<u>1994</u>		<u>1993</u>
	<u>Amount provided</u> £'000	<u>Amount not provided</u> £'000	<u>Amount provided</u> £'000
Accelerated capital allowances	808	4,651	554
			5,124
Other timing differences	(23)	-	(287)
	<hr/>	<hr/>	<hr/>
	<u>785</u>	<u>4,651</u>	<u>267</u>
			<u>5,124</u>

No provision has been made for deferred taxation in respect of future disposals of revalued properties as the Directors do not envisage a significant crystallisation of any such liability in the foreseeable future.

14. SHARE CAPITAL

	<u>31 December 1994</u>	<u>31 December 1993</u>
	£'000	£000
Authorised, allotted, issued and fully paid:		
37,465,115 Ordinary Shares of £1 each	<u>37,465</u>	<u>37,465</u>

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. RESERVES

	Share Premium Account £'000	Revaluation Reserve £'000	Profit & Loss Account £'000
Balance at 1 January 1994	31,363	3,520	1,005
Retained profit for the year	-	-	254
Realisation of revaluation reserve	-	(566)	566
Balance at 31 December 1994	31,363	2,954	1,825

16. PENSIONS

The Caradon Group operates a number of defined benefit pension schemes based on final pensionable pay. The assets of these schemes are held in separate trustee administered funds. The Company participates in one or more of these schemes. Contributions are based on pension costs across the Group as a whole. A summary of the results of the last actuarial valuations of the group schemes is contained in the financial statements of Caradon plc.

17. COMMITMENTS

(a) Capital commitments at 31 December 1994 for which no provision has been made in these financial statements were as follows:

	<u>31 December 1994</u> £'000	<u>31 December 1993</u> £'000
Contracted but not provided for	241	203
Authorised but not contracted for	583	1,399
	<u>824</u>	<u>1,602</u>

(b) The annual commitment under non-cancellable operating leases is as follows:

	As at <u>31 December 1994</u>		As at <u>31 December 1993</u>	
	<u>Land and Buildings</u> £'000	<u>Other</u> £'000	<u>Land and Buildings</u> £'000	<u>Other</u> £'000
Leases expiring:				
within one year	-	1	-	-
within two to five years	-	28	-	66
later than five years	-	57	-	26
	<u>-</u>	<u>86</u>	<u>-</u>	<u>92</u>

CARADON BATHROOMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. CONTINGENT LIABILITIES

Under an unlimited multilateral guarantee, the Company, in common with certain other Caradon Group Companies, has jointly and severally guaranteed the obligations falling due under one of the Caradon Group's net overdraft facilities.

At 31 December 1994 the Company had other contingent liabilities arising in the ordinary course of business amounting to £60,000 (1993: £60,000).

19. CASH FLOW STATEMENT

A consolidated cash flow statement has been included in the consolidated financial statements of the ultimate parent undertaking which include the results of Caradon Bathrooms Limited.

Accordingly, as permitted by FRS1, no cash flow statement is presented with these financial statements.

20. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Caradon plc a company registered in England. The Caradon Group is the largest and smallest group of which the Company is a member and for which group financial statements are prepared. Copies of these group financial statements can be obtained from Caradon plc, Caradon House, 24 Queens Road, Weybridge, Surrey, KT13 9UX.