

Company Registration No: 1211050

## **TRITON PLC**

### **Financial Statements**

**31st March 1999**



## **TRITON PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 1999**

The directors present their report and the audited financial statements for the year ended 31st March 1999.

#### **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. The outlook is largely unchanged for the current year.

#### **RESULTS AND DIVIDENDS**

	<b>£000s</b>
The profit for the year after taxation amounts to	<b>7,777</b>
On the profits for the year, a final dividend is proposed of	<b>(6,342)</b>
Transfer to reserves of	<b><u>1,435</u></b>

#### **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 (Resigned 31 March 1999)  
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 1999 had the following interests in the shares of Norcros plc:

	31st March 1999		31st March 1998	
	Executive Share Options	SAYE Share Options	Executive Share Options	SAYE Share Options
Mr T E Applegate	35,000 <sup>(2)</sup>	17,410 <sup>(3)</sup>	25,000 <sup>(2)</sup>	17,410 <sup>(3)</sup>
Ms L Fellowes	56,000 <sup>(2)</sup>	17,410 <sup>(3)</sup>	46,000 <sup>(2)</sup>	17,410 <sup>(3)</sup>
Mr R Hodgkinson	61,370 <sup>(1)</sup> 68,000 <sup>(2)</sup>		61,370 <sup>(1)</sup> 68,000 <sup>(2)</sup>	
Mr J B McCarthy	62,000 <sup>(2)</sup>	17,410 <sup>(3)</sup>	52,000 <sup>(2)</sup>	17,410 <sup>(3)</sup>
Mr R S Taylor	55,000 <sup>(2)</sup>	16,802 <sup>(3)</sup>	45,000 <sup>(2)</sup>	12,535 <sup>(3)</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 129p to 195.34p 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 Norcros plc 1996 Executive Share Option scheme, at option prices ranging between 69p and 90.5p per ordinary share, and exercisable between September 1999 and August 2008.

<sup>(3)</sup> Shares represented by options to purchase acquired under the terms of Norcros Plc Savings Related Share Option Scheme at option prices ranging between 53p and 56p per ordinary share, and exercisable between August 2000 and February 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.

The Company benefits from directors' and officers' liability insurance, arranged by Norcros plc, on behalf of the Company and its directors and officers.

## **TRITON PLC**

### **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 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 trade creditors shown in the balance sheet at 31<sup>st</sup> March 1999 represents 61 days of average daily purchases.

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

The Company has implemented a programme throughout all its operations to address the Year 2000 issue. This programme is now substantially complete. 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 the 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 now substantially complete in respect of issues arising from the introduction of European Monetary Union. It is currently estimated that costs in relation to this will not be material.

## **TRITON PLC**

### **AUDITORS**

The Company's auditors, Coopers & Lybrand merged with Price Waterhouse on 1<sup>st</sup> July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to appoint PricewaterhouseCoopers as auditors to the Company will be proposed at the Annual General Meeting.

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



J B McCarthy  
Secretary  
23<sup>rd</sup> June 1999

### **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**



J B McCarthy  
Secretary  
23<sup>rd</sup> June 1999

## TRITON PLC

### REPORT OF THE AUDITORS

To the members of TRITON PLC.

We have audited the financial statements on pages 6 to 15, 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 8 and 9.

### Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report, including as described on page 4, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

### 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 affairs of the Company as at 31st March 1999, and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

Birmingham

23 June 1999

**TRITON PLC****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH 1999**

	Notes	1999 £000s	1998 £000s
<b>TURNOVER</b>	2	<u>39,399</u>	<u>40,415</u>
Operating Profit	3	<u>7,631</u>	<u>7,402</u>
Net Interest	4	<u>146</u>	<u>148</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	<u>7,777</u>	<u>7,550</u>
Taxation	7	<u>-</u>	<u>-</u>
Profit on Ordinary Activities after Taxation		<u>7,777</u>	<u>7,550</u>
Dividends	8	(6,342)	(7,500)
<b>TRANSFER TO RESERVES</b>	17	<u>1,435</u>	<u>50</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 there historical cost equivalents.

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

**TRITON PLC**

**BALANCE SHEET AS AT 31st MARCH 1999**

	Notes	1999 £000s	1998 £000s
<b>FIXED ASSETS</b>			
Tangible Assets	9	3,939	4,869
Investments	10	2,468	2,468
		<u>6,407</u>	<u>7,337</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,141	2,478
Debtors	13	8,274	8,653
Cash at bank and in hand		7,986	7,106
		<u>18,401</u>	<u>18,237</u>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	14	(17,594)	(18,542)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>807</u>	<u>(305)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,214</u>	<u>7,032</u>
Creditors: Amounts falling due after more than one year	14	(2,292)	(3,545)
		<u>4,922</u>	<u>3,487</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	2,403	968
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>4,922</u>	<u>3,487</u>

The accounts on pages 6 to 15 were approved by the board of directors on 23<sup>rd</sup> June 1999 and were signed on its behalf by:

L Fellowes )

)

Directors

J B McCarthy )

*Liam Fellowes*  
*John McCarthy*



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 1999**

### **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, 28th March 1999.

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

# **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31st MARCH 1999 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. These contributions are invested separately from the Group's assets. Pension costs have been calculated in accordance with SSAP24.

## **Cash Flow Statement**

The Company has not published a cash flow statement as it is a wholly owned subsidiary of Norcros plc, which produces a consolidated cash flow statement.

## **2. TURNOVER**

	<b>1999</b>	<b>1998</b>
	<b>£000s</b>	<b>£000s</b>
United Kingdom	33,274	34,348
Overseas	6,125	6,067
	<u>39,399</u>	<u>40,415</u>

## **3. OPERATING PROFIT**

	<b>1999</b>	<b>1998</b>
	<b>£000s</b>	<b>£000s</b>
<b>TURNOVER</b>	39,399	40,415
Cost of Sales	(20,970)	(21,910)
	<u>18,429</u>	<u>18,505</u>
<b>GROSS PROFIT</b>	18,429	18,505
Distribution, Marketing and Sales Costs	(6,157)	(6,161)
Administration Expenses	(3,715)	(4,127)
Research and Development Costs	(926)	(815)
<b>OPERATING PROFIT</b>	<u>7,631</u>	<u>7,402</u>

## **4. INTEREST**

	<b>1999</b>	<b>1998</b>
	<b>£000s</b>	<b>£000s</b>
<b>Cash at bank, less overdrafts and other loans:</b>		
Interest receivable - Bank	162	176
- Fellow Group Undertakings	110	39
Less: Repayable within 5 years, not by instalments		
- Bank	(16)	(28)
- Ultimate Holding Company	(110)	(39)
	<u>146</u>	<u>148</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1999 continued**

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

	<b>1999 £000s</b>	<b>1998 £000s</b>
<b>Profit on ordinary activities before taxation is stated after crediting:</b>		
Rent receivable	101	110
Profit arising on sale of fixed assets	42	2
<b>and is after charging:</b>		
Depreciation of tangible fixed assets	(1,692)	(1,542)
Research and development costs	(926)	(815)
Auditors' remuneration (including expenses) for:		
Audit	(22)	(21)
Other	(5)	(14)
Hire of plant and machinery	(8)	(5)
Operating lease rentals:		
Property	(507)	(540)
Equipment	(351)	(246)

**6. DIRECTORS AND EMPLOYEES**

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

	<b>1999 Number</b>	<b>1998 Number</b>
Management and Administration	36	39
Production, Research and Development	202	202
Sales, Marketing and Service	189	189
	<u>427</u>	<u>430</u>

	<b>1999 £000s</b>	<b>1998 £000s</b>
<b>Staff costs (for the above persons):</b>		
Wages and Salaries	6,786	6,747
Social Security costs	535	525
Other Pensions costs	221	204
	<u>7,542</u>	<u>7,476</u>

	<b>1999 £000s</b>	<b>1998 £000s</b>
<b>Directors:</b>		
Aggregate Emoluments	422	452
Company pension contributions to money purchase schemes	20	19

Retirement benefits accrued to two directors (1998 – two directors) under a money purchase pension scheme and to three directors (1998 – three directors) under a defined benefit scheme.

# TRITON PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 1999 continued

### 6. DIRECTORS AND EMPLOYEES continued

Highest Paid Director	1999 £000s	1998 £000s
Aggregate emoluments	123	136
Company pension contributions to money purchase scheme	18	17

### 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

	1999 £000s	1998 £000s
Dividends on equity shares:		
Ordinary - Final proposed of £111.26 per share (1998 £131.58)	6,342	7,500

### 9. TANGIBLE FIXED ASSETS

	Short Leasehold Buildings £000s	Plant, Machinery, Equipment and Motor Vehicles £000s	Total £000s
<b>Cost</b>			
At 1st April 1998	947	9,067	10,014
Additions	3	772	775
Disposals	-	(187)	(187)
At 31st March 1999	950	9,652	10,602
<b>Depreciation</b>			
At 1st April 1998	(84)	(5,061)	(5,145)
Charge for the year	(46)	(1,646)	(1,692)
Eliminated in respect of disposals	-	174	174
At 31st March 1999	(130)	(6,533)	(6,663)
<b>Net Book Value</b>			
At 31st March 1999	820	3,119	3,939
At 31st March 1998	863	4,006	4,869

**TRITON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH 1999 continued**

**10. SHARES IN GROUP COMPANIES**

	<b>1999</b>	<b>1998</b>
	<b>£000s</b>	<b>£000s</b>
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:

<b>Name</b>	<b>Status</b>
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.

**11. FUTURE COMMITMENTS**

**Capital**

	<b>1999</b>	<b>1998</b>
	<b>£000s</b>	<b>£000s</b>
Capital expenditure that has been contracted for but has not been provided for in the financial statements	4	-
Capital expenditure that has been authorised by the directors but has not yet been contracted for	1,248	-

**Revenue**

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

	<b>1999</b>	<b>1999</b>	<b>1998</b>	<b>1998</b>
	<b>Property</b>	<b>Equipment</b>	<b>Property</b>	<b>Equipment</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Within one year	33	77	21	1
Two to five years	-	222	54	300
Over five years	426	-	413	-
	<u>459</u>	<u>299</u>	<u>488</u>	<u>301</u>

# TRITON PLC

## 12.STOCKS

	1999 £000s	1998 £000s
<b>Stocks comprise:</b>		
Raw materials and consumables	1,231	1,228
Work-in-progress	64	70
Finished goods	846	1,180
	<u>2,141</u>	<u>2,478</u>

## 13.DEBTORS

	1999 £000s	1998 £000s
<b>Amounts falling due within one year:</b>		
Trade debtors	6,115	5,583
Amounts due from fellow group undertakings	152	815
Other debtors	225	221
Prepayments and accrued income	165	114
	<u>6,657</u>	<u>6,733</u>
<b>Amounts falling due after one year:</b>		
Amounts due from fellow group undertakings	<u>1,617</u>	<u>1,920</u>

## 14.CREDITORS

	1999 £000s	1998 £000s
<b>Amounts falling due within one year:</b>		
Trade creditors	4,208	4,203
Amounts owed to holding and ultimate holding company	53	20
Amounts owed to fellow group undertakings	2,505	2,510
Dividends payable	6,342	7,500
Other taxation and social security payable	1,019	920
Accruals and Provisions	3,467	3,389
	<u>17,594</u>	<u>18,542</u>
<b>Amounts falling due after more than one year:</b>		
Amount owed to holding and ultimate holding company	<u>2,292</u>	<u>3,545</u>

## 15.CALLED UP SHARE CAPITAL

	1999 £000s	1998 £000s
<b>Authorised:</b>		
61,000 ordinary shares of £1 each	<u>61</u>	<u>61</u>
<b>Allotted, called up and fully paid:</b>		
57,000 ordinary shares of £1 each	<u>57</u>	<u>57</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 1999 continued**

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1999 £000s	1998 £000s
Opening shareholders' funds	3,487	3,437
Retained Profit for the financial year	1,435	50
Closing shareholders' funds	<u>4,922</u>	<u>3,487</u>

**17. RESERVES**

	Share premium account £000s	Profit and loss account £000s
At 1st April 1998	2,462	968
Retained profit for the year	-	1,435
At 31st March 1999	<u>2,462</u>	<u>2,403</u>

**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 1999 are at a rate of 8% of pensionable earnings. Details of the latest actuarial valuation can be found in the financial statements 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 1999, the company's joint and several contingent liability under the guarantees was £10.4m. The directors do not consider that any liability will arise under the guarantees.

**20. RELATED PARTY TRANSACTIONS**

The Company has not disclosed transactions with fellow group companies, where the Group shareholding is 90% or more, in accordance with the exemption under the terms of Financial Reporting Standard No.8.

## **TRITON PLC**

### **21. 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.