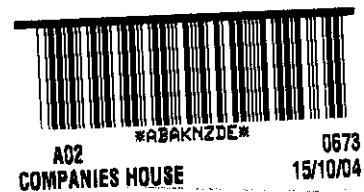


Company Registration No: 1211050

# **TRITON PLC**

**Annual report for the year ended**

**31 March 2004**



## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 March 2004

The directors present their report and the audited financial statements of the company for the year ended 31 March 2004.

### PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activities of the company are the design, development, manufacture and marketing of a range of electric, power and mixer showers, bathroom accessories and allied products.

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

During the year, the company incurred £1,090,000 (2003: £954,000) on Research and Development activities.

On the 10 December 2003 Triton PLC re-registered as a limited company. On the 25 March 2004 Triton Limited re-registered as a public company.

### RESULTS AND DIVIDENDS

	2004 £000s	As restated 2003 £000s
The profit for the year after taxation	11,136	9,846
Dividends paid and proposed for the year	(10,000)	(12,000)
Transfer to/(from) reserves	1,136	(2,154)

### TAXATION

Norcros Ltd, a fellow subsidiary of Norcros (Holdings) Ltd, the ultimate parent company, has assumed responsibility for discharging any liability for United Kingdom corporation tax, current or deferred, so long as the company remains a member of the Norcros Group.

### DIRECTORS

The directors of the company during the year and subsequently were:

Mr J Matthews (Chairman)  
Ms L Fellowes  
Mr T E Applegate  
Mr J P Davies  
Mr D W Hamilton  
Mr N P Kelsall  
Mr J B McCarthy (resigned 30 September 2003)  
Mr C J Whitell (appointed 30 September 2003)  
Mr R S Taylor  
Mr S Williams

Mr J B McCarthy and Mr C J Whitell also served as the company's secretaries throughout the period they were directors.

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 March 2004 (continued)**

### **DIRECTORS' INTERESTS**

Mr J Matthews, Mr D W Hamilton and Mr N P Kelsall are directors of the company's ultimate parent company, Norcros (Holdings) Ltd, and therefore their interests in the shares of Norcros (Holdings) Ltd are disclosed in the financial statements of Norcros (Holdings) Ltd. Except for the above, none of the directors had a disclosable interest in the shares of any company in the Norcros group at any time during the year.

No arrangement to which the company was or is a party subsisted at the end of the year, or at any time in the year, to enable the directors to acquire any interest by the acquisition of shares or debentures of the company or any other body corporate.

None of the directors had any beneficial interest in any significant contract to which the company was a party during the year.

The company benefits from directors' and officers' liability insurance, arranged by Norcros (Holdings) Ltd, on behalf of the company and its directors and officers.

### **EMPLOYEES**

The company has raised the level of training offered to all employees with regard to their individual roles within the company and in the important areas of product knowledge and knowledge of company procedures. All employees are notified of factors affecting the company through the company communication programme. Employee contribution is encouraged through the employee committee, with members elected from various locations of company activity. These actions have resulted in employees being aware of the company's future and have enriched their commitment to the company's success. The company was accredited as an Investor in People in 1994 and this was reconfirmed in March 2003.

### **EMPLOYMENT OF DISABLED PERSONS**

The company recognises its responsibilities towards disabled persons, and therefore all applications from such persons are fully considered bearing in mind the respective aptitudes and abilities of the applicants. In the event of existing employees becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

### **CREDITOR PAYMENT POLICY**

The company's current policy concerning payments to suppliers of goods and services is to pay in accordance with agreed terms and its practice is to adhere to those terms. The amount of trade creditors shown in the balance sheet at 31 March 2004 represents 50 days (2003: 61 days) of average daily purchases.

### **DONATIONS**

The company made charitable donations of £127 during the year (2003: £335). The company has not made any political donations in the year (2003: nil).

## **TRITON PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 March 2004 (continued)**

#### **AUDITORS**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

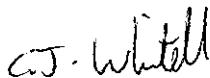
#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



**Triton Plc**  
C J Whitell  
Secretary

4 July 2004

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

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

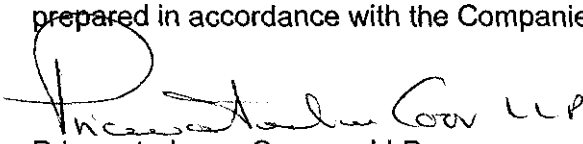
## **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham, 4 July 2004

**TRITON PLC**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 March 2004**

	Notes	2004 £000s	As Restated 2003 £000s
<b>TURNOVER</b>	2	<u>52,679</u>	<u>48,745</u>
Operating Profit	3	11,004	9,636
Net Interest Receivable	4	<u>132</u>	<u>210</u>
<b>Profit on Ordinary Activities before Taxation</b>	5	11,136	9,846
Taxation	7	<u>-</u>	<u>-</u>
<b>Profit on Ordinary Activities after Taxation</b>		11,136	9,846
Dividends	8	(10,000)	(12,000)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	17	<u>1,136</u>	<u>(2,154)</u>

The results have been derived wholly from continuing activities.

**STATEMENT OF RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2004**

	Notes	2004 £000s	As Restated 2003 £000s
<b>Profit/(loss) for the year</b>		<u>1,136</u>	<u>(2,154)</u>
<b>Total recognised gains and losses relating to the year</b>		1,136	(2,154)
Prior year adjustment	1	<u>(169)</u>	
<b>Total gains and losses recognised since the last annual report</b>		<u>967</u>	

**NOTE OF HISTORICAL COST PROFIT AND LOSS**

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

TRITON PLC

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £000s	As Restated 2003 £000s
<b>FIXED ASSETS</b>			
Tangible Assets	9	3,325	3,351
Investments	10	<u>2,468</u>	<u>2,468</u>
		<u>5,793</u>	<u>5,819</u>
<b>CURRENT ASSETS</b>			
Stock	12	2,670	3,026
Debtors	13	10,413	9,075
Cash at bank and in hand		<u>5,657</u>	<u>6,837</u>
		<u>18,740</u>	<u>18,938</u>
<b>CURRENT LIABILITIES</b>			
Creditors	14	<u>(19,576)</u>	<u>(20,979)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(836)</u>	<u>(2,041)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,957	3,778
Provisions for Liabilities and Charges	15	(910)	(867)
		<u>4,047</u>	<u>2,911</u>
Financed by:			
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	16	57	57
Share Premium Account	18	2,462	2,462
Profit and Loss Account	18	<u>1,528</u>	<u>392</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>4,047</u>	<u>2,911</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 4 July 2004 and were signed on its behalf by:

L Fellows )

) Directors

C J Whittell )

*Lama Fellows*  
*C. J. Whittell*

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004

## 1. STATEMENT OF ACCOUNTING POLICIES

### Accounting Convention

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

### Accounting Reference Date

All figures have been made up to Sunday, 28 March 2004.

### Changes in Accounting Policy

The company has adopted Financial Reporting Standard ('FRS') 5 App G: "Revenue recognition", in these financial statements. This adoption has resulted in a decrease in turnover by £202,000 (2003:£215,000) and cost of sales of £121,000 (2003:£111,000), decrease in profit for the year by £81,000(2003:£104,000) and a decrease in recognised gains and losses by £169,000 (2003:£65,000).

### Comparative figures

The comparative figures for the turnover, cost of sales, distribution costs, administrative expenses, creditors and provisions have been restated to reflect the above change in accounting policy and to correct certain year on year disclosures. The effect is as follows:

	As previously reported £000s	Impact of FRS 5 App G £000s	Other restatement £000s	As restated 2003 £000s
<b>TURNOVER</b>	48,960	(215)	-	48,745
Cost of Sales	(27,928)	111	-	(27,817)
<b>GROSS PROFIT</b>	21,032	(104)	-	20,928
Distribution, Marketing and Sales Costs	(6,590)		697	(5,893)
Administration Expenses	(4,702)		(697)	(5,399)
<b>OPERATING PROFIT</b>	9,740	(104)	-	9,636
Creditors	20,651	169	159	20,979
Provisions	1,026		(159)	867

Other restatements refer to reclassifications to correct of year on year disclosures; deferred income on extended warranty sales of £159,000 were reclassified to creditors while other expenses of £697,000 reclassified to administrative expenses.

### Turnover

Turnover represents the total amount, less value added tax, receivable by the company for goods supplied and services rendered as principal during the year and is net of trade rebates paid to customers. Revenue arising from the sale of extended

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

### 1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

warranty policies is recognised on a straight-line basis over the active life of the policy.

#### **Research and Development**

All expenditure on research and development is charged against the profits of the year in which it is incurred.

#### **Foreign Currencies**

Assets and liabilities expressed in foreign currencies are translated into sterling at rates applicable at the year end. Exchange gains and losses of a trading nature are dealt with in arriving at the profit before taxation.

#### **Operating Leases**

Operating lease rentals are charged against profit in the year in which they are incurred.

#### **Warranty Provision**

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

#### **Pensions**

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

#### **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%.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

## 1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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.

### Stock

Stock is 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 7 to the accounts, deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits is uncertain. Deferred tax assets and liabilities have not been discounted.

## 2. TURNOVER

	2004 £000s	As restated 2003 £000s
United Kingdom	44,384	41,650
Overseas	8,295	7,095
	<u>52,679</u>	<u>48,745</u>

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

## 3. OPERATING PROFIT

	2004 £000s	As restated 2003 £000s
<b>TURNOVER</b>	52,679	48,745
Cost of Sales	<u>(29,424)</u>	<u>(27,817)</u>
<b>GROSS PROFIT</b>	23,255	20,928
Distribution, Marketing and Sales Costs	(6,028)	(5,893)
Administration Expenses	(6,223)	(5,399)
<b>OPERATING PROFIT</b>	<u>11,004</u>	<u>9,636</u>

## 4. NET INTEREST

	2004 £000s	2003 £000s
Interest receivable on bank balances	<u>132</u>	<u>210</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

## 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 £000s	2003 £000s
<b>Profit on ordinary activities before taxation is stated after crediting/(charging):</b>		
Rent receivable	48	44
Loss arising on disposal of fixed assets	-	(54)
Depreciation of tangible fixed assets	(1,165)	(1,339)
Research and development costs	(1,090)	(954)
Auditors' remuneration (including expenses) for:		
Audit	(26)	(24)
Operating lease rentals:		
Property	(506)	(506)
Equipment	(384)	(377)

## 6. DIRECTORS AND EMPLOYEES

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

	2004 Number	2003 Number
Management and Administration	33	36
Production, Research and Development	187	169
Sales, Marketing and Service	214	217
	<u>434</u>	<u>422</u>

	2004 £000s	2003 £000s
<b>Staff costs (for the above persons):</b>		
Wages and Salaries	8,267	7,866
Social Security costs	688	581
Other Pensions costs	385	379
	<u>9,340</u>	<u>8,826</u>

	2004 £000s	2003 £000s
<b>Directors:</b>		
Aggregate emoluments	645	576
Company pension contributions to defined contribution scheme	5	20
	<u>650</u>	<u>596</u>

Retirement benefits accrued to one director (2003 – one director) under a defined contribution scheme and to six directors (2003 – five directors) under a defined benefit scheme.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

## 6. DIRECTORS AND EMPLOYEES (CONTINUED)

	2004 £000s	2003 £000s
<b>Highest Paid Director</b>		
Aggregate emoluments	171	153
Company pension contributions to defined contribution scheme	5	20
	<u>176</u>	<u>173</u>

## 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 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.

## 8. DIVIDENDS

	2004 £000s	2003 £000s
Dividends on ordinary shares:		
Interim paid of £52.63 per share (2003 £52.63)	3,000	3,000
Final proposed of £122.81 per share (2003 £157.89)	7,000	9,000
	<u>10,000</u>	<u>12,000</u>

## 9. TANGIBLE FIXED ASSETS

	Improvements to Short Leasehold Buildings £000s	Plant, Machinery & Equipment £000s	Total £000s
<b>Cost</b>			
At 1st April 2003	950	11,801	12,751
Additions	-	1,139	1,139
Adjustment	-	254	254
At 31 March 2004	<u>950</u>	<u>13,194</u>	<u>14,144</u>
<b>Depreciation</b>			
At 1st April 2003	313	9,087	9,400
Charge for the year	43	1,122	1,165
Adjustment	-	254	254
At 31 March 2004	<u>356</u>	<u>10,463</u>	<u>10,819</u>
<b>Net Book Amount</b>			
At 31 March 2004	<u>594</u>	<u>2,731</u>	<u>3,325</u>
At 31 March 2003	<u>637</u>	<u>2,714</u>	<u>3,351</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 March 2004 (continued)**

**10. INVESTMENTS**

	2004 £000s	2003 £000s
Shares at cost	2,469	2,469
Less: Amounts written off	(1)	(1)
	<u>2,468</u>	<u>2,468</u>

The company's subsidiaries, all of which are registered in England, are as follows:

Name	Status
Bermuda Showers Ltd	Non trading
Florida Plastics Ltd	Non trading
Metlex Industries Ltd	Non trading
Cantonian Ltd	Non trading
Aquatron (Showers) Ltd	Non trading
Aquatron (Shower Fittings) Ltd	Non trading

All the above subsidiaries are wholly owned, the last three being subsidiaries of Metlex Industries Ltd.

The company has not prepared consolidated financial statements as it is exempt from doing so under Section 228 of the Companies Act 1985, since it is a wholly owned subsidiary of Norcros (Holdings) Ltd, a company registered in England, which produces consolidated financial statements.

**11. FUTURE COMMITMENTS**

**Capital**

	2004 £000s	2003 £000s
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>296</u>	<u>140</u>

**Contingent Liability**

The company has a contingent liability of £112,900 (2003: £94,400) in respect of standby letters of credit that have been issued and yet to be presented. The directors do not expect this liability to crystallise.

**Operating Leases**

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

	2004 Property £000s	2004 Equipment £000s	2003 Property £000s	2003 Equipment £000s
Within one year	-	64	-	57
Two to five years	-	220	3	230
Over five years	506	15	502	8
	<u>506</u>	<u>299</u>	<u>505</u>	<u>295</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

## 12. STOCK

	2004 £000s	2003 £000s
<b>Stock comprise:</b>		
Raw materials and consumables	1,161	1,269
Finished goods	1,509	1,757
	<u>2,670</u>	<u>3,026</u>

## 13. DEBTORS

	2004 £000s	2003 £000s
<b>Amounts falling due within one year:</b>		
Trade debtors	9,892	8,557
Amounts due from fellow group undertakings	7	9
Other debtors	139	90
Prepayments and accrued income	375	419
	<u>10,413</u>	<u>9,075</u>

## 14. CREDITORS

	2004 £000s	As restated 2003 £000s
<b>Amounts falling due within one year:</b>		
Trade creditors	5,526	5,977
Amounts owed to parent undertaking	260	1
Amounts owed to fellow group undertakings	2,505	2,505
Dividends payable	7,000	9,000
Other taxation and social security payable	536	561
Accruals and other creditors	3,217	2,607
Deferred income	532	328
	<u>19,576</u>	<u>20,979</u>

## 15. PROVISIONS FOR LIABILITIES AND CHARGES

	Warranty Provision £000s
At 1 April 2003 as previously reported	1,026
Prior year adjustment - (Note 1)	(159)
At 1 April 2003 as restated	867
Utilised in year	(867)
Charge in the profit and loss account	910
At 31 March 2004	<u>910</u>

A provision of £910,000 has been recognised for expected standard claims on products which remain under warranty. It is expected that most of this expenditure will be incurred in the next financial year, and all will be incurred within five years of the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

## 15. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

### Deferred Taxation

The full potential asset for deferred taxation is as follows:

	2004 £000s	2003 £000s
Accelerated capital allowances	<u>817</u>	<u>563</u>

The deferred tax asset noted above has not been recognised in the year (2003: Nil) because in the view of the directors, whilst the company is covered by the taxation indemnity, as per Note 7, the asset is not recoverable.

## 16. CALLED UP SHARE CAPITAL

	2004 £000s	2003 £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>

## 17. MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £000s	As Restated 2003 £000s
Profit for the year	11,136	9,846
Dividends	(10,000)	(12,000)
Net addition/(reduction) to shareholders' funds	<u>1,136</u>	<u>(2,154)</u>
Shareholders' funds as at 1 April as previously stated	3,080	5,130
Prior year adjustment (FRS 5 APP G) – note 1	(169)	(65)
Shareholders' funds as at 1 April as restated	<u>2,911</u>	<u>5,065</u>
Shareholders' funds as at 31 March	<u>4,047</u>	<u>2,911</u>

## 18. RESERVES

	Share premium account £000s	Profit and loss Account £000s
At 1 April 2003 as previously reported	2,462	561
Prior year adjustment – FRS 5	-	(169)
At 1 April 2003 as restated	2,462	392
Retained Profit for the year	-	1,136
At 31 March 2004	<u>2,462</u>	<u>1,528</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2004 (continued)

### 19. 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 31 March 2004 are at a rates of 11.6% and 11.8% (from December 2003) of pensionable earnings. Details of the group scheme, including details of the latest actuarial valuation can be found in the financial statements of Norcros (Holdings) Ltd. Calculated in accordance with FRS17 the Norcros Security Plan is in deficit at the 31 March 2004.

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

	2004 £000s	2003 £000s
Employer contributions charged in the year were:		
Defined Benefit Scheme	342	315
Defined Contribution Scheme	<u>43</u>	<u>64</u>

An amount of £36,000 (2003: £27,000) is included within creditors, which represents the excess of the accumulated pension cost over the payment of contributions to the pension fund.

### 20. 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.

### 21. RELATED PARTY AND CASH FLOW STATEMENT DISCLOSURE

The company is a wholly owned subsidiary of Norcros (Holdings) Ltd and is included in the consolidated financial statements of Norcros (Holdings) Ltd, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Norcros (Holdings) Ltd group or investees of the Norcros (Holdings) Ltd group. There are no other related party transactions.

### 22. ULTIMATE PARENT COMPANY

The company's ultimate parent company and ultimate controlling party is Norcros (Holdings) Ltd, a company incorporated in Great Britain and registered in England. The Norcros (Holdings) Ltd financial statements are both the smallest and largest set of group financial statements, into which the company's financial statements are consolidated. The company's immediate holding company is Norcros Ltd. A copy of Norcros (Holdings) Ltd accounts may be obtained from Companies House, Maindy, Cardiff.