

Utopia Furniture Limited
Annual report and financial statements
for the year ended 30 June 2007

Registered number 2826071



Utopia Furniture Limited

Annual report and financial statements for the year ended 30 June 2007

| | Page |
|---|-------------|
| Directors and advisors for the year ended 30 June 2007 | 1 |
| Directors' report for the year ended 30 June 2007 | 2 |
| Independent auditors' report to the members of Utopia Furniture Limited | 5 |
| Profit and loss account for the year ended 30 June 2007 | 6 |
| Balance sheet as at 30 June 2007 | 7 |
| Notes to the financial statements for the year ended 30 June 2007 | 8 |

Utopia Furniture Limited

Directors and advisors for the year ended 30 June 2007

Directors

Mr D W Conn
Mr I W Hall
Mrs E B Green
Miss J Brooke
Mr S Cox

Secretary

Mr I W Hall

Registered office

Utopia House
Springvale Avenue
Springvale Business Park
Bilston
Wolverhampton
WV14 OQL

Independent auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

The Royal Bank of Scotland plc
Colmore Row Branch
79/83 Colmore Row
Birmingham
B3 2AP

Utopia Furniture Limited

Directors' report for the year ended 30 June 2007

The directors present their report with the audited financial statements of the Company for the year ended 30 June 2007

Principal activity

The principal activity of the Company in the year under review was that of the manufacture of bathroom furniture. The Company was founded during 1989 by founders and shareholders Ian Hall and David Conn. During the last eighteen years the business has established an excellent reputation for design, quality, and service and supplies over 650 bathroom outlets around the UK. The business has 85% of its sales in the 'retail/independent' sector with 15% being within the UK Developed sector. Significant investment within the production facilities and offices, over many years has resulted in the Company offering one of the best bathroom furniture facilities within the UK.

2007 saw the management team acquire the majority shareholding of Utopia Group Limited from the owners with the deal being completed on 26 September 2007.

Review of business

The results for the year and financial position of the Company are as shown in the annexed financial statements on pages 6 to 19. The Company has followed its core policy of re-investing profits into high-tech advanced machinery and equipment together with the development of highly skilled personnel crucial to the Company's expansion and profitability objectives.

The current financial year has seen the management team focus on the deal completion which for many reasons was delayed until September 2007. Despite this the Company was able to deliver a turnover growth of 4.6% which has been consistent with previous years.

During the first quarter of the current financial year, the focus was on completion of the management buy out with emphasis in the remainder of the year being on increasing the Company's market share by developing the existing customers as well as focusing on new retail business opportunities.

Dividends

Dividends of £1,800,000 (£90 per share) was paid during the financial year (2006: £nil). No dividends are proposed for the year ended 30 June 2007 (2006: £nil).

Key performance indicators (KPI's)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The directors have not disclosed the Company's financial risk management objectives and policies nor the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk as such information is not considered material for the assessment of the Company's assets, liabilities, and financial position at the year end.

Utopia Furniture Limited

Directors' report for the year ended 30 June 2007 (continued)

Directors

The directors who held office during the year under review, and subsequently, were

| | |
|-----------------|------------------------------|
| Mr D W Conn | |
| Mr I W Hall | |
| Mrs E B Green | |
| Miss A Shepherd | (resigned 23 February 2007) |
| Mr B Spooner | (resigned 31 December 2006) |
| Miss J Brooke | |
| Mr S Cox | (appointed 12 December 2006) |

Political and charitable contributions

During the year the Company made charitable donations amounting to £4,915 (2006 £3,734)

No political contributions were made in either the current or prior year

Employees

The Company continues to encourage employees to bring forward any ideas to further enhance the capabilities of the Company's performance

The Company adopts a policy of training its employees to ensure production and group efficiency

Disabled employees

The company gives full consideration to the applications for employment by disabled persons

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 regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

Utopia Furniture Limited

Directors' report for the year ended 30 June 2007 (continued)

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

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 UK 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 presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

During the year, Omerod Rutter Limited resigned as auditors and PricewaterhouseCoopers LLP were appointed to fill the casual vacancy. A resolution to appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

On behalf of the board,

Mr I W Hall
Secretary

30 May 2008

Independent auditors' report to the members of Utopia Furniture Limited

We have audited the financial statements of Utopia Furniture Limited for the year ended 30 June 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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.

In addition we 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.

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 30 June 2007 and of its profit 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
Chartered Accountants and Registered Auditors
Birmingham
13 June 2008

Utopia Furniture Limited

Profit and loss account for the year ended 30 June 2007

| | | 2007 | 2006 |
|--|-------|---------------------|-------------|
| | Notes | £ | £ |
| Turnover | 1, 2 | 19,163,460 | 18,325,962 |
| Cost of sales | | (10,004,549) | (9,510,804) |
| Gross profit | | 9,158,911 | 8,815,158 |
| Administrative expenses | | (6,260,262) | (5,697,758) |
| Operating profit | 4 | 2,898,649 | 3,117,400 |
| Interest receivable and similar income – bank interest | | 1,375 | 20,307 |
| Interest payable and similar charges | 6 | (22,721) | (23,052) |
| Profit on ordinary activities before taxation | | 2,877,303 | 3,114,655 |
| Taxation on profit on ordinary activities | 7 | (589,839) | (712,299) |
| Profit for the financial year | 24 | 2,287,464 | 2,402,356 |

The accompanying notes on pages 8 to 19 are an integral part of the financial statements. All activities relate to continuing operations for both financial years.

There is no difference between the profit on ordinary activities before taxation and the profit as stated above and their historical cost equivalents for both financial years.

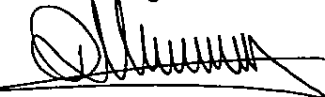
The company had no recognised gains or losses in either year other than the profit for the financial years as stated above.

Utopia Furniture Limited

Balance sheet as at 30 June 2007

| | Note | 2007 £ | 2006 £ |
|--|------|--------------------|-------------|
| Fixed assets | | | |
| Tangible assets | 9 | 1,924,013 | 1,888,999 |
| Current assets | | | |
| Stocks | 10 | 1,437,600 | 1,245,710 |
| Debtors amounts falling due within one year | 11 | 4,327,356 | 4,286,531 |
| Cash at bank and in hand | | 2,631,577 | 1,976,630 |
| | | 8,396,533 | 7,508,871 |
| Creditors: amounts falling due within one year | 12 | (3,430,415) | (2,949,057) |
| Net current assets | | 4,966,118 | 4,559,814 |
| Total assets less current liabilities | | 6,890,131 | 6,448,813 |
| Creditors: amounts falling due after more than one year | 13 | (272,810) | (308,270) |
| Provisions for liabilities and charges | 15 | - | (10,686) |
| Net assets | | 6,617,321 | 6,129,857 |
| Capital and reserves | | | |
| Called up share capital | 17 | 20,000 | 20,000 |
| Capital redemption reserve | 18 | 3,000 | 3,000 |
| Profit and loss account | 18 | 6,594,321 | 6,106,857 |
| Total shareholders' funds | 24 | 6,617,321 | 6,129,857 |

The financial statements on pages 8 to 19 were approved by the Board of Directors on 10 May 2008 and were signed on its behalf by



Mr D W Conn
Director



Mr I W Hall
Director

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007

1 Accounting policies

Accounting convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the UK

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

| | |
|----------------------------------|---------------|
| Plant and machinery | - 20% on cost |
| Motor vehicles | - 25% on cost |
| Information technology equipment | - 50% on cost |
| Fixtures and fittings | - 33% on cost |

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of variable overheads

Taxation

UK corporation tax is provided at amounts expected to be paid using tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

1 Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at operating profit.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised as tangible fixed assets and depreciated over 5 years. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals paid under operating leases are charged to the profit and loss account on straight line basis over the term of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account (see note 19).

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 (Revised 1996) as it is included in the consolidated cash flows of the ultimate parent company (see note 20).

2 Turnover

Turnover is attributable to the one principal activity for both financial years. Turnover by geographical destination is as follows:

| | 2007 | 2006 |
|--------|------------|------------|
| | £ | £ |
| UK | 18,984,616 | 18,325,962 |
| Europe | 178,844 | - |
| | 19,163,460 | 18,325,962 |

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

3 Staff costs

| | 2007 | 2006 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,892,832 | 4,360,526 |
| Social security costs | 365,018 | 355,277 |
| Other pension costs (See note 19) | 106,664 | 66,748 |
| | 4,364,514 | 4,782,551 |

The average monthly number of employees (including directors) during the year was as follows

| | 2007 | 2006 |
|----------------|------------|------------|
| | Number | Number |
| Administration | 53 | 60 |
| Works | 148 | 152 |
| | 201 | 212 |

4 Operating profit

The operating profit is stated after charging/(crediting)

| | 2007 | 2006 |
|--|---------|---------|
| | £ | £ |
| Depreciation - owned assets | 588,886 | 701,299 |
| Depreciation - assets on hire purchase contracts | 174,774 | 97,944 |
| Loss/(profit) on disposal of fixed assets | 49,483 | (3,253) |
| Operating lease rentals - plant and machinery | 162,754 | 169,071 |
| Operating lease rentals – other (including land and buildings) | 101,541 | 89,760 |
| Auditors' remuneration | | |
| Audit services | 4,200 | - |
| Previous auditors' remuneration | | |
| Audit services | - | 11,115 |
| Non audit services – (Consultancy) | 10,815 | 84,472 |

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

5 Directors' emoluments

| | 2007 | 2006 |
|---|------|---------|
| | £ | £ |
| Aggregate emoluments | - | 436,764 |
| Pension contributions to money purchase schemes | - | 34,286 |
| | - | 471,050 |

Directors' emoluments have been borne by the ultimate parent company during the year, although the Company was recharged £327,309 in relation to the directors services to the Company during the year

No directors (2006 6) are accruing retirement benefits under a money purchase pension scheme

| | 2007 | 2006 |
|---|------|---------|
| | £ | £ |
| Highest paid director | | |
| Aggregate emoluments | - | 100,000 |
| Pension contributions to money purchase schemes | - | 8,918 |
| | - | 108,918 |

6 Interest payable and similar charges

| | 2007 | 2006 |
|------------------------|--------|--------|
| | £ | £ |
| Bank interest | - | 462 |
| Hire purchase interest | 22,721 | 22,590 |
| | 22,721 | 23,052 |

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

7 Taxation on profit on ordinary activities

Analysis of tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | 2007 | 2006 |
|--|----------------|----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | 669,706 | 707,637 |
| (Over)/under provision in respect of prior year | (39,897) | 1,477 |
| Total current tax | 629,809 | 709,114 |
| Deferred tax | | |
| Origination and reversal of timing differences (See note 15) | (39,970) | 3,185 |
| Taxation on profit on ordinary activities | 589,839 | 712,299 |

Factors affecting the tax charge

The tax assessed for the year is lower (2006 lower) than the standard rate of corporation tax in the UK. The difference is explained below

| | 2007 | 2006 |
|---|----------------|----------------|
| | £ | £ |
| Profit on ordinary activities before tax | 2,877,303 | 3,114,655 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% | 863,191 | 934,397 |
| Effects of | | |
| Expenses not deductible for tax purposes | 85,337 | 22,575 |
| Accelerated capital allowances | 35,844 | (2,210) |
| (Over)/under provision in respect of prior year | (39,897) | 1,477 |
| Group relief | (314,666) | (247,125) |
| Current tax charge | 629,809 | 709,114 |

Factors that may effect future tax charge

The standard rate of Corporation Tax in the UK changes to 28% with effect from the 1 April 2008

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

8 Dividends

| | 2007 | 2006 |
|--|-----------|------|
| | £ | £ |
| Equity shares | | |
| Ordinary 'A' shares of £1 each | | |
| Final - £90 per share (2006 £ nil per share) | 1,800,000 | - |

9 Tangible fixed assets

| | Plant and machinery | Motor vehicles | IT equipment and fixtures and fittings | Total |
|------------------------|------------------------|-------------------|---|------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| 1 July 2006 | 5,481,659 | 132,696 | 1,181,556 | 6,795,911 |
| Additions | 847,756 | 24,258 | 54,226 | 926,240 |
| Disposals | (328,300) | (40,367) | (29,962) | (398,629) |
| At 30 June 2007 | 6,001,115 | 116,587 | 1,205,820 | 7,323,522 |
| Depreciation | | | | |
| At 1 July 2006 | 3,830,543 | 93,360 | 983,009 | 4,906,912 |
| Charge for year | 591,316 | 18,037 | 154,307 | 763,660 |
| Disposal | (216,730) | (28,765) | (25,568) | (271,063) |
| At 30 June 2007 | 4,205,129 | 82,632 | 1,111,748 | 5,399,509 |
| Net book value | | | | |
| At 30 June 2007 | 1,795,986 | 33,955 | 94,072 | 1,924,013 |
| At 30 June 2006 | 1,651,116 | 39,336 | 198,547 | 1,888,999 |

The net book value of tangible fixed assets includes £758,595 (2006 £673,716) in respect of assets held under hire purchase contracts

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

10 Stocks

| | 2007 | 2006 |
|------------------|------------------|------------------|
| | £ | £ |
| Raw materials | 1,058,836 | 921,612 |
| Work in progress | 118,582 | 211,270 |
| Finished goods | 260,182 | 112,828 |
| | 1,437,600 | 1,245,710 |

11 Debtors: amounts falling due within one year

| | 2007 | 2006 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 3,399,803 | 3,302,231 |
| Amounts owed by group undertakings | - | 292,531 |
| Amounts owed by related parties | - | 90 |
| Other debtors | 241,829 | 617 |
| Prepayments and accrued income | 656,440 | 691,062 |
| Deferred tax asset (see note 15) | 29,284 | - |
| | 4,327,356 | 4,286,531 |

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

12 Creditors: amounts falling due within one year

| | 2007 | 2006 |
|---|-----------|-----------|
| | £ | £ |
| Bank loans and overdrafts (see note 16) | 225,000 | - |
| Hire purchase contracts (see note 14) | 166,742 | 160,605 |
| Trade creditors | 1,767,359 | 1,701,286 |
| Amounts owed to group undertakings | 40,221 | - |
| Corporation tax | 69,706 | 107,637 |
| Social security and other taxes | 615,704 | 525,843 |
| Other creditors | 104,428 | 57,439 |
| Accruals and deferred income | 441,255 | 396,247 |
| | 3,430,415 | 2,949,057 |

Amounts owed to group undertakings are interest free and repayable on demand

13 Creditors: amounts falling due after more than one year

| | 2007 | 2006 |
|---------------------------------------|---------|---------|
| | £ | £ |
| Hire purchase contracts (see note 14) | 272,810 | 308,270 |

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

14 Obligation under the hire purchase contracts and leases

| | Hire purchase contracts | |
|---|-------------------------|---------|
| | 2007 | 2006 |
| | £ | £ |
| Net obligations repayable | | |
| Within one year | 166,742 | 160,605 |
| Between one and five years | 272,810 | 308,270 |
| | 439,552 | 468,875 |
| The following operating lease payments are committed to be paid as at June 2007 | | |
| | Other | Other |
| | 2007 | 2006 |
| | £ | £ |
| Expiring | | |
| Within one year | 23,777 | 13,906 |
| Between one and five years | 186,675 | 239,378 |
| | 210,452 | 253,284 |

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

15 Provisions for liabilities and charges

| | 2007 | 2006 |
|--------------------------|------|----------|
| | £ | £ |
| Deferred tax (liability) | - | (10,686) |

| | Deferred tax asset/ (liability) £ |
|--|--|
| Balance at 1 July 2006 | (10,686) |
| Profit and loss account (see note 7) | 39,970 |
| Balance at 30 June 2007 (see note 11) | 29,284 |

The deferred tax asset/(liability) as at 30 June 2007 comprises

| | 2007 | 2006 |
|--------------------------------|---------------|-----------------|
| | £ | £ |
| Accelerated capital allowances | 23,480 | (10,686) |
| Short term timing differences | 5,804 | - |
| | 29,284 | (10,686) |

16 Loans and other borrowings

| | 2007 | 2006 |
|--|---------|------|
| | £ | £ |
| Bank loans and overdrafts (see below) | 225,000 | - |
| Maturity of financial liabilities | | |
| In one year | 56,000 | - |
| In more than two years, but not more than five years | 169,000 | - |

Bank loans comprise an amount of £225,000 which is repayable in sixteen quarterly instalments commencing on 12 October 2007. The balance of £225,000 carries interest at 6.75%. It was anticipated that this loan will be repaid during the next financial year, and hence has been disclosed within note 12. It was fully repaid subsequent to the year end.

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

17 Called up share capital

| | 2007 | 2006 |
|---|--------|--------|
| | £ | £ |
| Authorised | | |
| 40,000 ordinary 'A' shares of £1 each | 40,000 | 40,000 |
| 10,000 ordinary 'B' shares of £1 each | 10,000 | 10,000 |
| Allotted, called up and fully paid | | |
| 20,000 ordinary 'A' shares of £1 each | 20,000 | 20,000 |

18 Reserves

| | Profit and loss account £ | Capital redemption reserve £ | Total £ |
|-------------------------------|------------------------------------|---------------------------------------|------------------|
| At 1 July 2006 | 6,106,857 | 3,000 | 6,109,857 |
| Profit for the year (note 24) | 487,464 | - | 487,464 |
| At 30 June 2007 | 6,594,321 | 3,000 | 6,597,321 |

19 Pension commitments

The Company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension contributions for the year amounted to £106,664 (2006 £66,748). Accrued pension contributions (included within note 12) amounted to £21,789 (2006 £10,728) at the year end.

20 Ultimate parent company

The ultimate parent company is Utopia Group Limited, a company registered in England and Wales. Copies of the consolidated group accounts which include the Company are available from the company secretary at Utopia House, Springvale Avenue, Springvale Business Park, Bilston, Wolverhampton, WV14 0QL.

21 Contingent liabilities

A bank overdraft facility has been guaranteed by Utopia Group Limited, Utopia Furniture Limited, Dominion Plumbing Supplies Limited, Barrhead Sanitary Ware Limited, Barrhead International Limited, Utopia Bathrooms Limited and Kidsville Limited. At 30 June 2007 the net amount outstanding on this facility was £nil (2006 £nil).

Utopia Furniture Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

22 Capital commitments

At the year end the company had capital commitments of £686,823 (2006 £27,516) authorised for and in respect of acquisitions of new plant and machinery

23 Related party disclosures

During the year, Mr I W Hall and Mr D W Conn had an interest in Newlyn Homes Limited, Halcon Properties Limited and Idiom Design. Amounts payable at the year end were as follows

| | 2007 | 2006 |
|----------------------|------|------|
| | £ | £ |
| Halcon Properties | - | 90 |
| Newlyn Homes Limited | - | - |
| Idiom Design | - | - |

As a subsidiary undertaking of Utopia Group Limited, the Company has taken advantage of the exemption in Financial Reporting Standard Number 8 "Related Party disclosures" from disclosing transactions with other members of the Group headed by Utopia Group Limited (see note 20)

24 Reconciliation of movements in total shareholders' funds

| | 2007 | 2006 |
|--|------------------|------------------|
| | £'000 | £'000 |
| Profit for the financial year | 2,287,464 | 2,402,356 |
| Dividends (note 8) | (1,800,000) | - |
| Retained profit for the financial year (note 18) | 487,464 | 2,402,356 |
| Purchase of own shares | - | (3,000) |
| Net addition to total shareholders' funds | 487,464 | 2,399,356 |
| Opening total shareholders' funds | 6,129,857 | 3,730,501 |
| Closing total shareholders' funds | 6,617,321 | 6,129,857 |