

DOMINION PLUMBING SUPPLIES LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2004



Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

DOMINION PLUMBING SUPPLIES LIMITED

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FOR THE YEAR ENDED 30TH JUNE 2004**

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DOMINION PLUMBING SUPPLIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2004**

DIRECTORS:

Mr D W Conn
Mr I W Hall
Mr B Spooner

SECRETARY:

Mr D W Conn

REGISTERED OFFICE:

Utopia House
Springvale Avenue
Springvale Business Park
Bilston, Wolverhampton
West Midlands
WV14 OQL

REGISTERED NUMBER:

03331904 (England and Wales)

AUDITORS:

Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

BANKERS:

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

DOMINION PLUMBING SUPPLIES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2004**

The directors present their report with the financial statements of the company for the year ended 30th June 2004.

PRINCIPAL ACTIVITY

Although the company was not dormant, it did not trade during the year.

DIRECTORS

The directors during the year under review were:

Mr D W Conn
Mr I W Hall
Mr B Spooner

The directors holding office at 30th June 2004 did not hold any beneficial interest in the issued share capital of the company at 1st July 2003 or 30th June 2004.

The directors held no interest in the share capital of the company.

The ordinary share capital of the company is owned by Utopia Group Limited, its ultimate holding company. The interests of the directors in the issued share capital of the holding company are disclosed in that company's financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

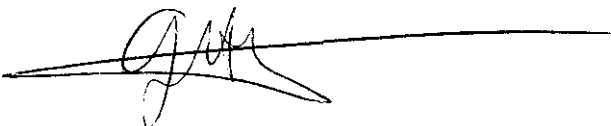
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in dark ink, appearing to be 'IWH', is written over a horizontal line.

Mr I W Hall - Director

1st December 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
DOMINION PLUMBING SUPPLIES LIMITED**

We have audited the financial statements of Dominion Plumbing Supplies Limited for the year ended 30th June 2004 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 with the company is not disclosed.

We read the Report of the Directors 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 United Kingdom 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 30th June 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

1st December 2004

DOMINION PLUMBING SUPPLIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2004**

	Notes	2004 £	2003 £
TURNOVER		-	245,836
Cost of sales		-	288,279
GROSS LOSS		-	(42,443)
Administrative expenses		4,856	50,867
OPERATING LOSS	2	(4,856)	(93,310)
Interest payable and similar charges		1	704
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,857)	(94,014)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(4,857)	(94,014)
DEFICIT FOR THE YEAR		(4,857)	(94,014)

The notes form part of these financial statements

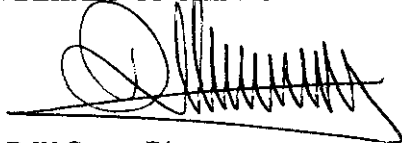
DOMINION PLUMBING SUPPLIES LIMITED

**BALANCE SHEET
30TH JUNE 2004**

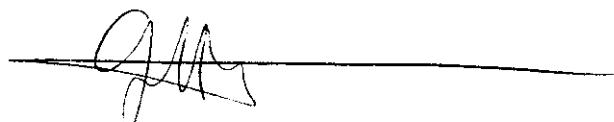
	Notes	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	4		-		24,001
CURRENT ASSETS					
Debtors	5	5,038		50,037	
Cash at bank		60,902		944	
		<u>65,940</u>		<u>50,981</u>	
CREDITORS					
Amounts falling due within one year	6	271,262		272,002	
NET CURRENT LIABILITIES			(205,322)		(221,021)
TOTAL ASSETS LESS CURRENT LIABILITIES			(205,322)		(197,020)
CREDITORS					
Amounts falling due after more than one year	7		-		3,445
			<u>(205,322)</u>		<u>(200,465)</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Profit and loss account	9		(205,323)		(200,466)
SHAREHOLDERS' FUNDS			<u>(205,322)</u>		<u>(200,465)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



Mr D W Conn - Director



Mr I W Hall - Director

Approved by the Board on 1st December 2004

The notes form part of these financial statements

DOMINION PLUMBING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical costs convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

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
Fixtures and fittings	- 33% on cost
Computer equipment	- 50% on cost

Deferred tax

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the full provision method.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

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

Going concern

These financial statements have been drawn up on the going concern basis. If the going concern basis were not appropriate adjustments would have to be made to reduce assets to recoverable amounts to provide for any further liabilities that might arise and to re-classify fixed assets as current assets and long term liabilities as current liabilities.

DOMINION PLUMBING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

2. OPERATING LOSS

The operating loss is stated after charging:

	2004 £	2003 £
Depreciation - owned assets	1	11,628
Depreciation - assets on hire purchase contracts	-	3,543
Loss on disposal of fixed assets	3,794	-
Auditors remuneration	750	2,750
Pension costs	-	8,583
	<u> </u>	<u> </u>
Directors' emoluments	-	-
Directors' pension contributions to money purchase schemes	-	8,583
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30th June 2004 nor for the year ended 30th June 2003.

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st July 2003	17,715	7,200	18,456	43,371
Disposals	(17,715)	(7,200)	(18,456)	(43,371)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 2004	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 1st July 2003	4,429	3,406	11,535	19,370
Charge for year	-	-	1	1
Eliminated on disposal	(4,429)	(3,406)	(11,536)	(19,371)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 2004	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 30th June 2004	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 2003	13,286	3,794	6,921	24,001
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of tangible fixed assets includes £0 (2003 - £13,286) in respect of assets held under hire purchase contracts.

DOMINION PLUMBING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				2004	2003
				£	£
Trade debtors				-	45,037
Amounts owed by participating interests				5,000	5,000
Other debtors				38	-
				<u>5,038</u>	<u>50,037</u>
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				2004	2003
				£	£
Hire purchase contracts				3,445	5,905
Trade creditors				-	528
Amounts owed to group undertakings				266,817	255,637
Taxation and social security				-	5,845
Other creditors				1,000	4,087
				<u>271,262</u>	<u>272,002</u>
7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				2004	2003
				£	£
Hire purchase contracts				-	3,445
				<u>-</u>	<u>3,445</u>
8. CALLED UP SHARE CAPITAL					
Authorised:					
Number:	Class:	Nominal value:		2004	2003
				£	£
1,000	Ordinary	£1		<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:					
Number:	Class:	Nominal value:		2004	2003
				£	£
1	Ordinary	£1		<u>1</u>	<u>1</u>
9. RESERVES					
					Profit and loss account
					£
At 1st July 2003					(200,466)
Deficit for the year					<u>(4,857)</u>
At 30th June 2004					<u>(205,323)</u>

DOMINION PLUMBING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2004

10. PENSION COMMITMENTS

The company operates a defined contributions scheme for its 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 £Nil (2003 - £8,583). There were no prepaid or outstanding contributions at the year end.

11. ULTIMATE PARENT COMPANY

The directors consider that the holding company is Utopia Group Limited, a company registered in England and Wales.

12. CONTINGENT LIABILITIES

A bank overdraft facility has been guaranteed by Utopia Group Limited, Utopia Furniture Limited, Dominion Plumbing Supplies Limited and Kidsville Limited. At 30th June 2004 the net amount outstanding on this facility amounted to £2,000,122.

At 30th June 2003 a bank loan facility existed, guaranteed by Utopia Group Limited, Utopia Furniture Limited, Dominion Plumbing Supplies Limited and Kidsville Limited. Amounts outstanding at 30th June 2003 were £2,075,000, which have been repaid during the current financial year.

13. RELATED PARTY DISCLOSURES

During the year, Mr I W Hall and Mr D W Conn had an interest in Newlyn Homes Limited and Idiom Design. Also during the year the company dealt with companies within the group - Utopia Furniture Limited and Utopia Group Limited. Any transactions were undertaken under normal commercial trading terms. Balances outstanding at the year end were as follows:

	Balance outstanding at 30th June 2004
Newlyn Homes Limited	£5,000
Utopia Furniture Limited	(£169,505)
Utopia Group Limited	(£97,312)

The aggregate of transactions amounted to £2,575 pension costs, (£29,125) funding from group, £20,206 (net book value) transfer of assets, £702 hire purchase interest on transferred assets and £(5,539) VAT paid.

DOMINION PLUMBING SUPPLIES LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2004**

	2004		2003
	£	£	£
Sales		-	245,836
Cost of sales			
Purchases		-	288,279
GROSS LOSS		-	(42,443)
Expenditure			
Rent and rates	-		16,000
Directors' pension contributions	-		8,583
Wages	-		3,639
Telephone and postage	-		729
Printing, stationery and advertising	(444)		2,080
Motor and travel expenses	-		530
Repairs and renewals	-		884
Sundry expenses	2		243
Legal and professional	-		15
Auditors remuneration	750		2,750
Depreciation of tangible fixed assets	1		15,171
Profit/loss on sale of tangible fixed assets	3,794		-
Bad debts	697		-
	<hr/>	4,800	<hr/>
		(4,800)	(93,067)
Finance costs			
Bank charges	56		243
Bank interest	1		2
Hire purchase interest	-		702
	<hr/>	57	<hr/>
NET LOSS		(4,857)	(94,014)

This page does not form part of the statutory financial statements