

Utopia Group Limited

Annual report and financial statements
for the year ended 30 June 2008

Registered number: 05479695

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Utopia Group Limited

Annual report and financial statements for the year ended 30 June 2008

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Utopia Group Limited

Directors and advisers

Directors

Mrs J Brooke
Mrs E Green
Mrs H Bray
Mr M Bailey

Secretary

Mr J Brooke

Registered office

Utopia House
Springvale Avenue
Springvale Business Park
Bilston
Wolverhampton
WV14 0QL

Independent auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

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

Utopia Group Limited

Directors' report for the year ended 30 June 2008

The directors present their report with the audited financial statements of the Company for the year ended 30 June 2008.

Principal activity

The principal activity of the Company was that of a holding company. On the 27 September 2007, the Company was acquired through a management buy out and a new Group, of which Utopia Bathroom Group Limited was the parent. This Company acquired the share capital of Utopia Group Limited and its subsidiary undertakings and consequently from this date is considered to the ultimate parent undertaking (see note 21).

The financial statements for the Company have been prepared on a stand alone basis for the year ended 30 June 2008 due to the acquisition during the financial year of the Company by Utopia Bathroom Group Limited (with comparatives prepared on the same basis). The previous years accounts presented the consolidated results for the Utopia Group.

Results and dividends

The retained profit for the financial year is £106,401 (2007: £12,065).

No dividends were paid or proposed during the year ended 30 June 2008 (2007: £nil).

Key performance indicators (KPIs)

Given the straight forward 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.

Directors

The directors who have held office, during, and subsequent to the year end, were as follows:

| | |
|----------------|--|
| Mr D W Conn | (resigned 26 September 2007) |
| Mr I W Hall | (resigned 26 September 2007) |
| Mr S Russell | (appointed 1 February 2008) (resigned 26 June 2009) |
| Mrs H Bray | (appointed 1 July 2008) |
| Mrs E Green | (appointed 26 September 2007) |
| Mrs J Brooke | (appointed 26 September 2007) |
| Mr S Cox | (resigned 24 October 2008) |
| Mr M Bailey | (appointed 8 May 2009) |
| Mrs T Williams | (formerly Eaton) (appointed 26 September 2007) (resigned 19 December 2008) |

Utopia Group Limited

Directors' report for the year ended 30 June 2008 (continued)

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.

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; and
- 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 these 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 on disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 234ZA of the Companies Act 1985 the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the steps that they 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.

Utopia Group Limited

Directors' report for the year ended 30 June 2008 (continued)

Auditors

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

On behalf of the board,

A handwritten signature in black ink, appearing to be 'E Green', with a long horizontal stroke extending to the right.

E Green
Director

Independent auditors' report to the members of Utopia Group Limited

We have audited the financial statements of Utopia Group Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and 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 also 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' report and the Directors and advisers page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

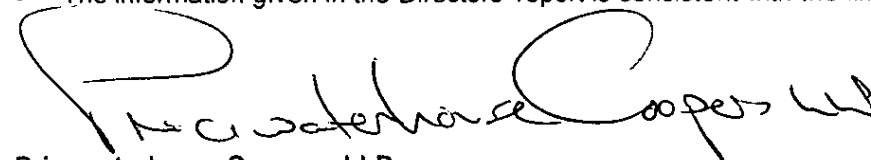
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group's and 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 2008 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

26 August 2009

Utopia Group Limited

Profit and loss account for the year ended 30 June 2008

| | | Year ended 30 June 2008 | Year ended 30 June 2007 |
|---|------|-------------------------------|-------------------------------|
| | Note | £ | £ |
| Turnover | 1,2 | - | 2,135,556 |
| Cost of sales | | - | (802,000) |
| Gross profit | | - | 1,333,556 |
| Administrative expenses | | | |
| – excluding exceptional impairment of investments | 4 | (6,545) | (368,627) |
| – exceptional impairment of investments | 4,10 | (1,988,878) | (1,670,817) |
| Total administrative expenses | | (1,995,423) | (2,039,444) |
| Selling and distribution expenses | | - | (1,082,047) |
| Operating loss | 4 | (1,995,423) | (1,787,935) |
| Income from fixed asset investments | 9 | 2,100,000 | 1,800,000 |
| Profit on ordinary activities before interest and taxation | | 104,577 | 12,065 |
| Interest receivable and similar income | 6 | 1,918 | - |
| Interest payable and similar charges | 7 | (94) | - |
| Profit on ordinary activities before taxation | | 106,401 | 12,065 |
| Tax charge on profit on ordinary activities | 8 | - | - |
| Profit for the financial year | 15 | 106,401 | 12,065 |

All activities relate to continuing operations for both financial years. The profit and loss account for the Company has been prepared on a stand alone basis for the year ended 30 June 2008 due to the acquisition during the financial year of the Company by Utopia Bathroom Group Limited with comparatives stated on the same basis. The previous years accounts presented the consolidated results for the Utopia Group.

There are no material differences between the profit on ordinary activities before taxation and the profit as stated above and its historical cost equivalent.

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

The movements on reserves are shown in note 15 to the financial statements.

Utopia Group Limited

Balance sheet as at 30 June 2008

| | Note | 2008 £ | 2007 £ |
|---|------|-----------|-------------|
| Fixed assets | | | |
| Investments | 10 | 80,000 | 1,712,497 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 11 | 1,509,293 | 1,105,952 |
| Cash at bank and in hand | | 231,267 | - |
| | | 1,740,560 | 1,105,952 |
| Creditors: amounts falling due within one year | 12 | (157,170) | (1,536,454) |
| Net current assets/(liabilities) | | 1,583,390 | (430,502) |
| Total assets less current liabilities | | 1,663,390 | 1,281,995 |
| Creditors: amounts falling due after more than one year | 13 | (76,824) | (76,824) |
| Net assets | | 1,586,566 | 1,205,171 |
| Capital and reserves | | | |
| Called-up share capital | 14 | 1,174,994 | 900,000 |
| Profit and loss reserve | 15 | 411,572 | 305,171 |
| Total shareholders' funds | 18 | 1,586,566 | 1,205,171 |

The financial statements on pages 6 to 18 were approved by the Board of Directors on 24 August 2009 and were signed on its behalf by:



E Green
Director

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been consistently applied are set out below. The financial statements for the Company have been prepared on a stand alone basis for the year ended 30 June 2008 due to the acquisition during the financial year of the Company by Utopia Bathroom Group Limited with comparatives stated on the same basis. The previous years accounts presented the consolidated results for the Utopia Group.

Going concern

The directors of the Company have considered the going concern of the Company at 30 June 2008. On the basis that the Company has net current assets and having reviewed the Group's cash position through to December 2010, the Directors believe the Company has sufficient resources to meet its financial obligations as they fall due for the foreseeable future from the date of approval of the Company's financial statements. Thus the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Consolidation

The financial statements contain information about Utopia Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements, as it is included within the group accounts of Utopia Bathroom Group Limited (see note 21).

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 its cashflows are included in the consolidated results of its ultimate parent Company (see note 21).

Turnover

Turnover represents recharges for goods and services provided in the normal course of business to subsidiary undertakings, net of trade discounts, VAT and other sales related taxes.

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

1 Accounting policies (cont'd)

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.

Deferred tax assets 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.

Investments

Investments in subsidiaries are included at cost less any provisions for impairment which are considered necessary.

Share-based payments

The Company has applied the requirements of accounting standard FRS 20 'Share-Based Payment'. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002.

The company issues equity-settled share-based payments to employees. The fair value of equity-settled share-based payments is determined at the date of grant and is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares or options that will eventually vest.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been based on the company's historical share data. The fair value of restricted shares is based on the share price at close of business on the date of grant. Further details are set out in note 3.

2 Turnover

Turnover in the prior year represents management recharges to subsidiary undertakings. There were no recharges made during the year ended 30 June 2008 (2007: £2,135,556).

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

3 Staff costs

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|-------------------------|-------------------------------|-------------------------------|
| | £ | £ |
| Wages and salaries | - | 891,485 |
| Social security costs | - | 127,741 |
| Pension costs (note 19) | - | 62,821 |
| Share scheme charge | - | 76,824 |
| | - | 1,158,871 |

The Enterprise Management Incentives Option (EMI) was introduced in July 2006. Under the EMI, the directors granted options over shares in the Company to employees within the Group. Options are granted with a fixed exercise price of £7.16. The contractual life of an option is 10 years. Awards under the EMI are generally reserved for employees at senior management level and above. The Company has made one grant of 38,407 shares under option. Options granted under the EMI are exercisable from 31 July 2006. Exercise of an option is subject to continued employment. A charge of £76,824 was made in the prior year which reflected a fair value of £2 per share option. No charge has been made in the current year as the options are considered to have vested as at 30 June 2007.

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

| | 2008 | 2007 |
|----------------|--------|--------|
| | Number | Number |
| Administration | - | 53 |

4 Operating loss

Operating loss is stated after charging:

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|-------------------------------------|-------------------------------|-------------------------------|
| | £ | £ |
| Impairment of investments (note 10) | 1,988,878 | 1,670,817 |

The directors are also directors of Utopia Bathroom Group Limited and their emoluments are included in the financial statements of that Company (see note 21). The remuneration of the directors is paid by the controlling parties and their services to the Company are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the controlling parties. The controlling parties charged £nil (year ended 30 June 2007: £nil) to the Company in respect of their services.

The auditor's remuneration has been borne by an associated group Company for the current year and not recharged (2007: £6,000 borne by the Company).

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

5 Directors' emoluments

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|--|-------------------------------|-------------------------------|
| | £ | £ |
| Aggregate emoluments | - | 671,564 |
| Pension contributions to money purchase pension scheme | - | 49,385 |
| | - | 720,949 |

Refer to note 4 for further information. No directors are accruing retirement benefits under a money purchase pension scheme as at 30 June 2008 (2007: four).

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|--|-------------------------------|-------------------------------|
| | £ | £ |
| Highest paid director | | |
| Aggregate emoluments | - | 117,884 |
| Pension contributions to money purchase pension scheme | - | 6,480 |
| | - | 124,364 |

6 Interest receivable and similar income

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|--------------------------|-------------------------------|-------------------------------|
| | £ | £ |
| Bank interest receivable | 1,918 | - |

7 Interest payable and similar charges

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|-----------------------|-------------------------------|-------------------------------|
| | £ | £ |
| Bank interest charges | 94 | - |

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

8 Tax charge on profit on ordinary activities

Analysis of tax charge

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

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|---|-------------------------------|-------------------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax | - | - |
| Tax on profit on ordinary activities | - | - |

Factors affecting the tax charge

The tax assessed for the year is lower (2007: lower) than the standard effective rate of corporation tax in the UK for the year ended 30 June 2008 of 29.5% (2007: 30%). The difference is explained below:

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|---|-------------------------------|-------------------------------|
| | £ | £ |
| Profit on ordinary activities before tax | 106,401 | 12,065 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.5% (2007: 30%) | 31,391 | 3,620 |
| Effects of: | | |
| Expenses not deductible for tax purposes | (326,486) | (3,620) |
| Accelerated capital allowances | (417) | 947 |
| Group relief surrendered/(claimed) | 295,512 | (947) |
| Current tax charge for the year | - | - |

Factors affecting future tax charge

The standard rate of corporation tax in the UK changed to 28% with effect from the 1 April 2008.

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

9 Income from fixed asset investments

| | Year ended 30 June 2008 | Year ended 30 June 2007 |
|---|-------------------------------|-------------------------------|
| | £ | £ |
| Investment in equity shares: | | |
| Dividend received from a subsidiary undertaking | 2,100,000 | 1,800,000 |

10 Fixed asset investments

| | Shares in group undertakings £ |
|------------------------|---|
| Cost | |
| At 30 June 2007 | 3,383,314 |
| Additions | 356,381 |
| At 30 June 2008 | 3,739,695 |
| Impairment | |
| At 30 June 2007 | 1,670,817 |
| Charge in the year | 1,988,878 |
| At 30 June 2008 | 3,659,695 |
| Net book value | |
| At 30 June 2008 | 80,000 |
| At 30 June 2007 | 1,712,497 |

The directors have performed a review of the carrying value of the Company's investments at the year end. Following this review, an exceptional impairment write down of £1,988,878 (2007: £1,670,817) was made in respect of Barrhead Sanitary Ware Limited due to a review of the current performance of the Company.

Additions during the year relate to the capitalisation of an inter-company balance with Barrhead International Limited.

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

10 Fixed asset investments (continued)

The Company's investments in the share capital of subsidiary undertakings at the balance sheet date include the following:

Utopia Furniture Limited

Country of incorporation: England & Wales

Nature of business: Manufacture of bathroom furniture

| | % Holding | £ |
|--------------------------------|--------------|-----------|
| Class of shares: | | |
| Ordinary A | 100 | |
| Aggregate capital and reserves | | 6,076,817 |
| Profit for the year | | 1,559,496 |

Dominion Plumbing Supplies Limited

Country of incorporation: England & Wales

Nature of business: Dormant

| | % Holding | £ |
|--------------------------------|--------------|-------|
| Class of shares: | | |
| Ordinary | 100 | |
| Aggregate capital and reserves | | 5,004 |

Utopia Bathrooms Limited

Country of incorporation: England & Wales

Nature of business: Dormant

| | % Holding | £ |
|--------------------------------|--------------|---|
| Class of shares: | | |
| Ordinary | 100 | |
| Aggregate capital and reserves | | 1 |

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

10 Fixed asset investments (continued)

Kidsville Limited

Country of incorporation: England & Wales

Nature of business: Dormant

| | % Holding | £ |
|--------------------------------|--------------|---|
| Class of shares: | | |
| Ordinary | 100 | |
| Aggregate capital and reserves | | 1 |

Barrhead International Limited

Country of incorporation: Scotland

Nature of business: Holding Company

| | % Holding | £ |
|--------------------------------|--------------|----------|
| Class of shares: | | |
| Ordinary A | 98 | |
| Ordinary C | 100 | |
| Aggregate capital and reserves | | (14,245) |
| Loss for the year | | 55,625 |

The Company also has an indirect controlling interest in Barrhead Sanitary Ware Limited through its share holding in Barrhead International Limited. Barrhead Sanitary Ware Limited is involved in the manufacture and sale of sanitary ware. Its aggregate capital and reserves at the end of the year amount to a deficit of £219,348 and its loss for the year was £916,155.

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

11 Debtors: amounts falling due within one year

| | 2008 | 2007 |
|---|-----------|-----------|
| | £ | £ |
| Amounts owed by group undertakings | 1,449,273 | 348,979 |
| Amounts owed by participating interests | - | 524,067 |
| Other debtors | - | 232,906 |
| Loan notes | 60,000 | - |
| Other taxes and social security | 20 | - |
| | 1,509,293 | 1,105,952 |

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

Amounts owed by participating interests, at 30 June 2007 predominately related to amounts owned by the principal directors, Mr I Hall and Mr D Conn. The amount owed by each director at the year end was £nil (2007: £262,003). The amounts owed were repaid to the Company on completion of the refinancing in connection with the management buy out on 27 September 2007.

12 Creditors: amounts falling due within one year

| | 2008 | 2007 |
|------------------------------------|---------|-----------|
| | £ | £ |
| Bank overdraft | - | 1,301,446 |
| Amounts owed to group undertakings | 155,638 | 2 |
| Trade creditors | 782 | 73,754 |
| Taxation and social security | - | 32,892 |
| Accruals and deferred income | 750 | 128,360 |
| | 157,170 | 1,536,454 |

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

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

13 Creditors: amounts falling due after more than one year

| | 2008 | 2007 |
|------------------------|--------|--------|
| | £ | £ |
| Share scheme liability | 76,824 | 76,824 |

In accordance with the EMI share option scheme, the Company awarded share options with a fair value of £2 per share option during the 2007 year end. Under this scheme, a liability exists until such a time when the options are exercised. Further details of the share scheme, refer to note 3.

14 Called up share capital

| | 2008 | 2007 |
|--|------------------|----------------|
| | £ | £ |
| Authorised: | | |
| 1,500,000 ordinary share of £1 each | 1,500,000 | 1,500,000 |
| Allotted, issued and fully paid | | |
| As at 30 June 2007 | 900,000 | 900,000 |
| Issue of shares | 274,994 | - |
| As at 30 June 2008 | 1,174,994 | 900,000 |

During the year, 274,994 £1 ordinary shares were issued for a consideration of £274,994 as part of the management buy-out which took place on 27 September 2007.

15 Profit and loss reserve

| | Profit and loss reserve £ |
|-------------------------------|------------------------------------|
| As at 30 June 2007 | 305,171 |
| Profit for the financial year | 106,401 |
| At 30 June 2008 | 411,572 |

16 Contingent liabilities and cross guarantees

A bank overdraft facility has been guaranteed by Utopia Bathroom Group Limited, Utopia Group Limited, Utopia Furniture Limited, Dominion Plumbing Supplies Limited, Barrhead Sanitary Ware Limited, Barrhead International Limited, Utopia Bathroom Limited and Kidsville Limited. At 30 June 2008, the net amount outstanding on this facility was £nil (2007: £nil).

In accordance with the Credit Facilities Agreement dated 27 September 2007, there is a floating secured charge over the assets of all of the companies within the former Utopia Group.

Utopia Group Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

17 Capital commitments

The Company has no capital commitments as at 30 June 2008 (2007: £nil).

18 Reconciliation of movements in total shareholders' funds

| | 2008 | 2007 |
|-------------------------------|-----------|-----------|
| | £ | £ |
| At 1 July 2007 | 1,205,171 | 1,193,106 |
| Profit for the financial year | 106,401 | 12,065 |
| Issue of shares (note 14) | 274,994 | - |
| At 30 June 2008 | 1,586,566 | 1,205,171 |

19 Pension commitments

The Group operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Pension contributions for the period amounted to £nil (2007: £62,821). Accrued pension contributions amounted to £nil at the year end.

20 Related party disclosures

For the year ended 30 June 2007, D Conn and I Hall owned 450,000 £1 ordinary shares each in the Company. No directors owned shares in the Company at 30 June 2008.

21 Ultimate parent undertaking

The immediate and ultimate parent undertaking is Utopia Bathroom Group Limited, a Company registered in England and Wales heads the largest and smallest group to consolidate the accounts of the Company. 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.

22 Post Balance Sheet Events

On the 7 July 2009 the Utopia Bathroom Group entered into revised financing arrangements with its shareholders and bank. Details of the refinancing arrangements have been included in the financial statements of the ultimate parent company, Utopia Bathroom Group Limited (see note 21).