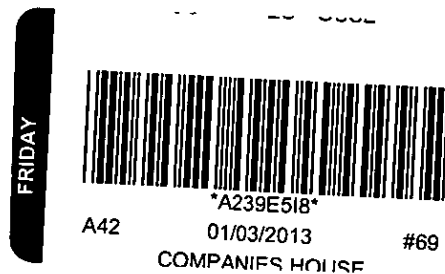


Utopia Group Limited

**Directors' report and financial
statements**

Registered number 05479695
For the year ended 30 June 2012



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

Principal activity

The principal activity of the company in the year under review was that of an intermediate holding company

Results and dividends

The loss for the financial year is £5 (2011 loss £845,903)

No dividends were paid or proposed during the year ended 30 June 2012 (2011 £Nil)

Key performance indicators (KPIs)

Given the straightforward nature of the business as a holding company, 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 given the current status of the company, such information is not considered material for the assessment of the company's assets, liabilities and financial position at the end of the financial year

Directors

The directors who held office during the year were as follows

H Clark	(resigned 9 July 2012)
M Bailey	
S Russell	(appointed 28 September 2011)
M Oldham	(appointed 28 September 2011)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Directors' liability

The company maintains an appropriate level of directors' insurance whereby directors are indemnified against liabilities to third parties to the extent permitted by the Companies Act. The directors also benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office

On behalf of the board

A handwritten signature in black ink, appearing to be 'S Russell', written in a cursive style.

S Russell
Director

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

24 October 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Utopia Group Limited

We have audited the financial statements of Utopia Group Limited for the year ended 30 June 2012 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Utopia Group Limited

(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



SJ Purkess (Senior Statutory Auditor)
for and on behalf of KPMG Audit LLP, Statutory Auditor
Chartered Accountants

26 October 2012

Profit and loss account
for the year ended 30 June 2012

	<i>Note</i>	2012 £	2011 £
Administrative expenses		(5)	(845,903)
Loss on ordinary activities before taxation	2	(5)	(845,903)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year	8,10	(5)	(845,903)

All activities relate to continuing operations for both financial years

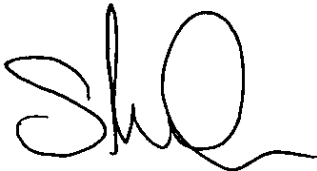
There are no material differences between the loss as shown in the profit and loss account above and their historical cost equivalents

The company has no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet
at 30 June 2012

	<i>Note</i>	2012 £	£	2011 £	£
Fixed assets					
Investments	4		-		-
Current assets					
Debtors	5	4,390,000		4,368,598	
Cash at bank and in hand		3,455		24,862	
		<u>4,393,455</u>		<u>4,393,460</u>	
Creditors: Amounts falling due within one year	6	<u>(3,338,917)</u>		<u>(3,338,917)</u>	
Net current assets			<u>1,054,538</u>		<u>1,054,543</u>
Total assets less current liabilities being net assets			<u>1,054,538</u>		<u>1,054,543</u>
Capital and reserves					
Called up share capital	7	938,407		938,407	
Share premium	8	236,587		236,587	
Profit and loss reserve	8	(120,456)		(120,451)	
Total shareholder's funds	10	<u>1,054,538</u>		<u>1,054,543</u>	

These financial statements were approved by the board of directors on 24 October 2012 and were signed on its behalf by



S Russell
Director

Company number 05479695

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the directors' report

The directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Consolidation

These 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 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is included within the group financial statements of Utopia Bathroom Group Limited (see note 12)

Investments

Investments are stated at cost less any provision for impairment

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 are 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 provided in respect of all timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19 and is measured on a non-discounted basis

Notes (continued)

2 Loss on ordinary activities before taxation

	2012 £	2011 £
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Write off balance no longer due		
To fellow group company	-	(21,314)
From fellow group company	-	867,153
	<u> </u>	<u> </u>

The directors are also directors of Utopia Bathroom Group Limited and their emoluments are included in the financial statements of that company (see note 12). 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 (2011 £Nil) to the company in respect of their services.

The company had no employees, other than the directors, in either the current or prior year.

The auditor's remuneration has been borne by an associated group company for both the current and prior year and not recharged.

3 Taxation

Analysis of charge in year

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax	-	-
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	-	-
	<u> </u>	<u> </u>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 25.5% (2011 27.5%). The differences are explained below.

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(5)	(845,903)
	<u> </u>	<u> </u>
Current tax at 25.5% (2011 27.5%)	(1)	(232,623)
	<u> </u>	<u> </u>
<i>Effects of</i>		
Waiver of intercompany debt	-	232,606
Group relief surrendered	238	345
Capital allowances in excess of depreciation	(237)	(328)
	<u> </u>	<u> </u>
Total current tax charge (see above)	<u> </u>	<u> </u>

Notes (continued)

3 Taxation (continued)

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly.

4 Fixed asset investments

	Shares in group undertakings £
<i>Cost</i>	
At beginning and end of year	3,739,695
	<hr/>
<i>Provisions</i>	
At beginning and end of year	3,739,695
	<hr/>
<i>Net book value</i>	
At 30 June 2011 and 30 June 2012	-
	<hr/>

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

	Principal activity	Country of incorporation	Equity shareholding
Utopia Furniture Limited	Manufacturer of bathroom furniture	England and Wales	100% direct
Dominion Plumbing Supplies Limited	Dormant	England and Wales	100% direct
Utopia Bathrooms Limited	Dormant	England and Wales	100% direct
Barrhead International Limited	Holding company	Scotland	100% direct
Barrhead Sanitary Ware Limited	Non-trading	Scotland	53.2% direct 45% indirect
Kidsville Limited	Dormant	England and Wales	100% direct

Deferred tax asset

The unrecognised deferred tax asset as at 30 June 2012 comprises:

	2012 £	2011 £
Accelerated capital allowances	918	1,236
Short term timing differences	2,123	2,299
	<hr/>	<hr/>
	3,041	3,535
	<hr/>	<hr/>

The deferred tax asset is not recognised on the basis that its recoverability cannot be accurately foreseen in the short term future.

Notes (continued)

5 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	4,390,000	4,368,598

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

6 Creditors: Amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	3,338,917	3,338,917

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

7 Called up share capital

	2012 £	2011 £
<i>Allotted, issued and fully paid</i> 938,407 Ordinary shares of £1 each	938,407	938,407

8 Reserves

	Share premium account £	Profit and loss reserve £
At beginning of year	236,587	(120,451)
Loss for the financial year	-	(5)
At end of year	236,587	(120,456)

9 Capital commitments

The company has no capital commitments at 30 June 2012 (2011 £Nil)

10 Reconciliation of movements in total shareholder's funds

	2012 £	2011 £
Loss for the financial year	(5)	(845,903)
Opening shareholder's funds	1,054,543	1,900,446
Closing shareholder's funds	1,054,538	1,054,543

Notes (continued)

11 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standards No 8 "Related party disclosures" not to disclose transactions with other group undertakings. Barrhead Sanitary Ware Limited is not covered by this exemption, the only transaction in the previous year with Barrhead Sanitary Ware Limited was the write off of £867,153 that was previously due to the company.

12 Ultimate parent company

The immediate and ultimate parent undertaking is Utopia Bathroom Group Limited, a company registered in 1, which heads the largest and smallest group to consolidate the financial statements of the company. Copies of the consolidated group financial statements, which include the company, are available from the Company Secretary at Utopia House, Springvale Avenue, Springvale Business Park, Bilston, Wolverhampton WV14 0QL.

13 Contingent liabilities and cross-guarantees

As a result of the Group refinancing which took place in July 2009, the company guarantees related party loans made by Halcon Properties Limited to the ultimate parent company, Utopia Bathroom Group Limited. The balance of these borrowings at 30 June 2012 amounted to £4,707,256 (2011 £5,258,731).