

UTOPIA BATHROOM GROUP LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

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COMPANIES HOUSE



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

UTOPIA BATHROOM GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014**

DIRECTORS:

Mr I W Hall
Mr M A Oldham
Mr D W Conn

SECRETARY:

St Pauls Secretaries Limited

REGISTERED OFFICE:

Utopia House
Springvale Avenue
Springvale Business Park
Bilston
West Midlands
WV14 0QL

REGISTERED NUMBER:

06285982 (England and Wales)

AUDITORS:

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH JUNE 2014**

The directors present their strategic report of the company and the group for the year ended 30th June 2014.

REVIEW OF BUSINESS

The results for the year and financial position of the group and company are shown in the financial statements.

Trading performance

The group continues to perform well in the difficult economic trading conditions following the downturn in the construction and home improvement markets over the past few years. The contraction in the market has been alleviated through an extension of the customer base, retention of existing customers, development of new product ranges and a focus on service delivery.

Key performance indicators (KPIs)

The company relies on different KPIs at an operational level which are specific to the business. Such KPIs are used by the management team to monitor performance on a regular basis. The main KPIs for the Group are as follows:

	2014 £'000	2013 £'000
- sales activity	14,537	14,826
- EBITDA (earnings before interest, taxation, depreciation and amortisation)	1,021	136
- working capital	2,185	1,927

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk for the company relates to the difficult general economic conditions and other performance of the construction and home improvement markets.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and liquidity risk.

Price risk

The company is exposed to commodity price risk, particularly for raw materials and distribution costs as a result of its operations. The company monitors these costs and takes corrective action when relevant.


Credit risk

The company has implemented policies that require appropriate credit checks on potential customers and ongoing review of credit levels for existing customers. These credit limits are amended where appropriate.

Liquidity risk

The company actively maintains long term debt finance that is designed to ensure the company has sufficient available funds for operations. The ongoing financing arrangements are regularly reviewed by the directors.

ON BEHALF OF THE BOARD:


.....
Mr I W Hall - Director

Date: 10/12/2014

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2014**

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2014.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture of bathroom furniture and sanitary ware.

The principal activity of the company was that of a holding company.

DIVIDENDS

No dividends will be distributed for the year ended 30th June 2014.

FUTURE DEVELOPMENTS

There are no significant anticipated future changes to the operations of the company.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2013 to the date of this report.

Mr I W Hall

Mr M A Oldham

Other changes in directors holding office are as follows:

Mr M Bailey - resigned 17th September 2013

Mr D W Conn - appointed 1st July 2013

EMPLOYEES

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made likely to affect their interests. Communication with all employees continues through newsletters and briefing groups.

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.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2014**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

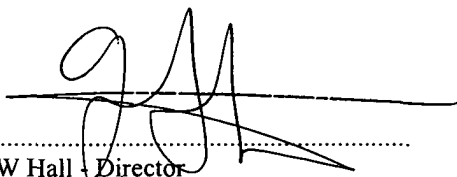
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



Mr I W Hall Director

Date: 10/12/2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UTOPIA BATHROOM GROUP LIMITED

We have audited the financial statements of Utopia Bathroom Group Limited for the year ended 30th June 2014 on pages seven to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30th June 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UTOPIA BATHROOM GROUP LIMITED**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Ormerod Rutter

Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited
Statutory Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Date: 10/12/2014

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2014**

	Notes	2014 £'000	2013 £'000
TURNOVER	2	14,537	14,826
Cost of sales		<u>8,778</u>	<u>9,310</u>
GROSS PROFIT		5,759	5,516
Goodwill amortisation		1,219	1,219
Other administration expenses		5,005	5,789
Administrative expenses		<u>6,224</u>	<u>7,008</u>
		(465)	(1,492)
Other operating income		<u>6</u>	<u>6</u>
OPERATING LOSS	5	(459)	(1,486)
Interest payable and similar charges	7	<u>156</u>	<u>60</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(615)	(1,546)
Tax on loss on ordinary activities	8	<u>(83)</u>	<u>(47)</u>
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP		<u>(532)</u>	<u>(1,499)</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

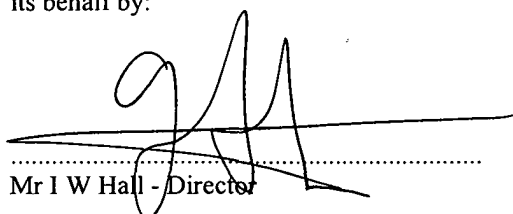
TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the losses for the current year or previous year.

CONSOLIDATED BALANCE SHEET
30TH JUNE 2014

		2014	2013
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	10	16,156	17,375
Tangible assets	11	534	716
Investments	12	-	-
		<u>16,690</u>	<u>18,091</u>
CURRENT ASSETS			
Stocks	13	1,348	1,577
Debtors	14	2,334	2,724
Cash at bank and in hand		<u>684</u>	<u>551</u>
		<u>4,366</u>	<u>4,852</u>
CREDITORS			
Amounts falling due within one year	15	<u>2,181</u>	<u>2,925</u>
NET CURRENT ASSETS		<u>2,185</u>	<u>1,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,875</u>	<u>20,018</u>
CREDITORS			
Amounts falling due after more than one year	16	<u>(3,898)</u>	<u>(4,509)</u>
NET ASSETS		<u>14,977</u>	<u>15,509</u>
CAPITAL AND RESERVES			
Called up share capital	19	24,535	24,535
Share premium	20	1,705	1,705
Profit and loss account	20	<u>(11,262)</u>	<u>(10,730)</u>
	26	14,978	15,510
MINORITY INTERESTS	21	<u>(1)</u>	<u>(1)</u>
TOTAL EQUITY		<u>14,977</u>	<u>15,509</u>

The financial statements were approved by the Board of Directors on 10/12/2014 and were signed on its behalf by:


Mr I W Hall - Director

COMPANY BALANCE SHEET
30TH JUNE 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	-	-
Investments	12	<u>22,253</u>	<u>22,253</u>
		22,253	22,253
CURRENT ASSETS			
Cash at bank		7	7
CREDITORS			
Amounts falling due within one year	15	<u>6,280</u>	<u>5,421</u>
NET CURRENT LIABILITIES		<u>(6,273)</u>	<u>(5,414)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,980	16,839
CREDITORS			
Amounts falling due after more than one year	16	<u>3,489</u>	<u>4,222</u>
NET ASSETS		<u>12,491</u>	<u>12,617</u>
CAPITAL AND RESERVES			
Called up share capital	19	24,535	24,535
Share premium	20	1,705	1,705
Profit and loss account	20	<u>(13,749)</u>	<u>(13,623)</u>
	26	<u>12,491</u>	<u>12,617</u>

The financial statements were approved by the Board of Directors on 10/12/2014 and were signed on its behalf by:

Mr I W Hall - Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014**

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	1	976	765
Returns on investments and servicing of finance	2	(156)	(60)
Taxation		73	(72)
Capital expenditure	2	<u>(79)</u>	<u>(549)</u>
		814	84
Financing	2	<u>(681)</u>	<u>(420)</u>
Increase/(decrease) in cash in the period		<u>133</u>	<u>(336)</u>

**Reconciliation of net cash flow
to movement in net debt**

	3		
Increase/(decrease) in cash in the period		133	(336)
Cash outflow from decrease in debt and lease financing		<u>681</u>	<u>420</u>
Change in net debt resulting from cash flows		<u>814</u>	<u>84</u>
Movement in net debt in the period		814	84
Net debt at 1st July		<u>(4,205)</u>	<u>(4,289)</u>
Net debt at 30th June		<u>(3,391)</u>	<u>(4,205)</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014

1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£'000	£'000
Operating loss	(459)	(1,486)
Depreciation and amortisation	1,499	1,623
Profit on disposal of fixed assets	(19)	(1)
Decrease in stocks	229	62
Decrease in debtors	401	130
(Decrease)/increase in creditors	(675)	437
Net cash inflow from operating activities	<u>976</u>	<u>765</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013
	£'000	£'000
Returns on investments and servicing of finance		
Interest paid	(127)	(5)
Interest element of hire purchase payments	(29)	(55)
Net cash outflow for returns on investments and servicing of finance	<u>(156)</u>	<u>(60)</u>
Capital expenditure		
Purchase of tangible fixed assets	(99)	(550)
Sale of tangible fixed assets	20	1
Net cash outflow for capital expenditure	<u>(79)</u>	<u>(549)</u>
Financing		
New finance lease loans	330	360
Finance lease capital	(281)	(295)
Repayment of related party loans	(730)	(485)
Net cash outflow from financing	<u>(681)</u>	<u>(420)</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/13 £'000	Cash flow £'000	At 30/6/14 £'000
Net cash:			
Cash at bank and in hand	<u>551</u>	<u>133</u>	<u>684</u>
	<u>551</u>	<u>133</u>	<u>684</u>
Debt:			
Hire purchase	(534)	(49)	(583)
Debts falling due after one year	<u>(4,222)</u>	<u>730</u>	<u>(3,492)</u>
	<u>(4,756)</u>	<u>681</u>	<u>(4,075)</u>
Total	<u>(4,205)</u>	<u>814</u>	<u>(3,391)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

1. ACCOUNTING POLICIES

Accounting convention

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

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.

Basis of consolidation

The financial statements consolidate the results of Utopia Bathroom Group Limited and its subsidiaries using the acquisition method of accounting. Any intra-group transactions, balances and intra-group profits are eliminated on consolidation. All subsidiary undertakings have a year end of 30th June.

Turnover

Turnover represents charges for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised when the goods and services are delivered to the customer.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of twenty years.

Fixed asset investments

Fixed asset investments in subsidiaries are included at cost less any provision for impairment which is considered necessary. Costs incurred directly in the acquisition of a subsidiary undertaking are included as a cost of investment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 50% on cost and 20% on cost
Fixtures and fittings	- 50% on cost and 33% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 50% 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 labour and fixed and variable production overheads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

1. ACCOUNTING POLICIES – continued

Corporation tax and deferred 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 such 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 an 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 substantially 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.

Foreign currencies

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 the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2014 £'000	2013 £'000
United Kingdom	14,279	14,541
Europe	<u>258</u>	<u>285</u>
	<u>14,537</u>	<u>14,826</u>

3. STAFF COSTS

	2014 £'000	2013 £'000
Wages and salaries	3,967	4,164
Social security costs	384	418
Other pension costs	<u>107</u>	<u>154</u>
	<u>4,458</u>	<u>4,736</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2014	2013
Administration	52	50
Production	<u>111</u>	<u>113</u>
	<u>163</u>	<u>163</u>

4. DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Directors' remuneration	171	411
Directors' pension contributions to money purchase schemes	15	48
Compensation to director for loss of office	<u>30</u>	<u>174</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2014 £'000	2013 £'000
Emoluments etc	141	157
Pension contributions to money purchase schemes	<u>13</u>	<u>12</u>

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2014 £'000	2013 £'000
Depreciation - owned assets	168	253
Depreciation - assets on hire purchase contracts	112	151
Profit on disposal of fixed assets	(19)	(1)
Goodwill amortisation	1,219	1,219
Operating leases - plant and machinery	3	1
Operating leases - buildings and other	<u>639</u>	<u>376</u>

6. AUDITORS' REMUNERATION

The operating profit is stated after auditors' remuneration of:

	2014 £'000	2013 £'000
Audit of the financial statements	15	15
Corporation tax services	5	5
Other services provided	<u>4</u>	<u>-</u>
	<u>24</u>	<u>20</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Bank loan interest	1	5
Related party loan interest	126	-
Hire purchase interest	29	55
	<u>156</u>	<u>60</u>

8. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2014 £'000	2013 £'000
Current tax:		
UK corporation tax	1	(73)
Under/(over) provision in previous periods	-	(7)
Total current tax	1	(80)
Deferred tax	(84)	33
Tax on loss on ordinary activities	<u>(83)</u>	<u>(47)</u>

Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	<u>(615)</u>	<u>(1,546)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 23.750%)	(123)	(367)
Effects of:		
Expenses not deductible for tax purposes	8	6
Depreciation in excess of capital allowances	182	256
Adjustments to tax charge in respect of previous periods	-	(7)
Other timing differences	(3)	3
Enhanced research and development claim	(65)	(153)
Enhanced research and development claim for previous period	-	(73)
Taxable losses carried forward	2	255
Current tax credit	<u>1</u>	<u>(80)</u>

The standard rate of corporation tax for the current year is the small profits corporation tax rate.

The standard rate of corporation tax for the previous year is an average rate, as there was a change in the rate of corporation tax during the current and previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £125,497 (2013: loss of £384).

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Patents and licences £'000	Totals £'000
COST			
At 1st July 2013 and 30th June 2014	<u>24,386</u>	<u>25</u>	<u>24,411</u>
AMORTISATION			
At 1st July 2013	7,011	25	7,036
Amortisation for year	<u>1,219</u>	<u>-</u>	<u>1,219</u>
At 30th June 2014	<u>8,230</u>	<u>25</u>	<u>8,255</u>
NET BOOK VALUE			
At 30th June 2014	<u>16,156</u>	<u>-</u>	<u>16,156</u>
At 30th June 2013	<u>17,375</u>	<u>-</u>	<u>17,375</u>

11. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1st July 2013	6,944	1,117	162	573	8,796
Additions	46	28	5	20	99
Disposals	<u>(307)</u>	<u>-</u>	<u>(9)</u>	<u>(3)</u>	<u>(319)</u>
At 30th June 2014	<u>6,683</u>	<u>1,145</u>	<u>158</u>	<u>590</u>	<u>8,576</u>
DEPRECIATION					
At 1st July 2013	6,358	1,032	124	566	8,080
Charge for year	174	78	17	11	280
Eliminated on disposal	<u>(307)</u>	<u>-</u>	<u>(8)</u>	<u>(3)</u>	<u>(318)</u>
At 30th June 2014	<u>6,225</u>	<u>1,110</u>	<u>133</u>	<u>574</u>	<u>8,042</u>
NET BOOK VALUE					
At 30th June 2014	<u>458</u>	<u>35</u>	<u>25</u>	<u>16</u>	<u>534</u>
At 30th June 2013	<u>586</u>	<u>85</u>	<u>38</u>	<u>7</u>	<u>716</u>

The net book value of tangible fixed assets includes £326,075 (2013 - £437,795) in respect of assets held under hire purchase contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

12. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£'000

COST

At 1st July 2013
and 30th June 2014

31,296

PROVISIONS

At 1st July 2013
and 30th June 2014

9,043

NET BOOK VALUE

At 30th June 2014

22,253

At 30th June 2013

22,253

Group subsidiary companies

The following companies are subsidiaries of the company or its subsidiary undertakings:

Company:	Country of incorporation:	Principal activity:
Utopia Group Limited	England and Wales	Intermediate holding company
Utopia Furniture Limited	England and Wales	Manufacture of bathroom furniture
Barrhead International Limited	Scotland	Intermediate holding company
Barrhead Sanitary Ware Limited	Scotland	Non-trading
Utopia Bathrooms Limited	England and Wales	Dormant
Kidsville Limited	England and Wales	Dormant
Dominion Plumbing Supplies Limited	England and Wales	Dormant
Leben Furniture Limited	England and Wales	Dormant
Leben Kitchens Limited	England and Wales	Dormant
Leben Bathrooms Limited	England and Wales	Dormant
Leben Bedrooms Limited	England and Wales	Dormant

The shareholding in the subsidiary undertakings is as follows:

Company:	Class of shares:	% holding (company)	% holding (group)
Utopia Group Limited	Ordinary shares	100	100
Utopia Furniture Limited	Ordinary A shares	-	100
Barrhead International Limited	Ordinary A shares	-	100
	Ordinary C shares	-	100
Barrhead Sanitary Ware Limited	Ordinary voting shares	-	100
	Ordinary non-voting shares	-	80
	Redeemable preference shares	-	100
Utopia Bathrooms Limited	Ordinary shares	-	100
Kidsville Limited	Ordinary shares	-	100
Dominion Plumbing Supplies Limited	Ordinary shares	-	100
Leben Furniture Limited	Ordinary A shares	-	100
Leben Kitchens Limited	Ordinary A shares	-	100
Leben Bathrooms Limited	Ordinary A shares	-	100
Leben Bedrooms Limited	Ordinary A shares	-	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

13. STOCKS

	Group	
	2014	2013
	£'000	£'000
Raw materials	1,071	1,214
Work-in-progress	152	204
Finished goods	<u>125</u>	<u>159</u>
	<u>1,348</u>	<u>1,577</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2014	2013
	£'000	£'000
Trade debtors	1,615	2,004
Corporation tax	-	73
Deferred tax asset	468	384
Prepayments	<u>251</u>	<u>263</u>
	<u>2,334</u>	<u>2,724</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

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

Deferred tax asset

Group

The deferred tax asset as at 30th June 2014 comprises:

	Recognised		Unrecognised	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Accelerated capital allowances	260	351	-	-
Trading losses	206	29	505	787
Short term timing differences	<u>2</u>	<u>4</u>	<u>-</u>	<u>-</u>
	<u>468</u>	<u>384</u>	<u>505</u>	<u>787</u>

During the year the company made a back dated claim for enhanced research and development tax allowances for 2012 and 2013. This resulted in a significant increase in trading losses available to be set against future taxable profits. As a result, an unrecognised deferred tax asset of £235,000 relating to this is included in the 2013 figures shown above.

The movement in the deferred tax asset is as follows:

	Deferred tax £'000
Balance at start of the year	384
Provided during year	(151)
Adjustments to the estimated recoverable amount of deferred tax arising in previous periods	<u>235</u>
	<u>468</u>

Company

The deferred tax asset comprises:

	Recognised		Unrecognised	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trading losses	<u>-</u>	<u>-</u>	<u>505</u>	<u>552</u>
	<u>-</u>	<u>-</u>	<u>505</u>	<u>552</u>

Deferred tax assets are not recognised where their recoverability cannot be accurately foreseen in the short term future. Deferred tax assets will not be recognised unless the relevant company starts to make sufficient taxable profits which are likely to exceed available taxable losses. The movement in unrecognised deferred tax assets in the year relate only to a change in corporation tax rate applied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Hire purchase contracts (see note 18)	177	247	-	-
Trade creditors	1,175	1,229	-	-
Amounts owed to group undertakings	-	-	6,280	5,421
Corporation tax	1	-	-	-
Social security and other taxes	109	110	-	-
VAT	191	245	-	-
Other creditors	-	563	-	-
Accruals and deferred income	528	531	-	-
	<u>2,181</u>	<u>2,925</u>	<u>6,280</u>	<u>5,421</u>

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

Included in other creditors is £nil (2013: £563,000) secured by various fixed and floating charges over the assets and undertakings of Utopia Furniture Limited.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Other loans (see note 17)	3,492	4,222	3,489	4,222
Hire purchase contracts (see note 18)	406	287	-	-
	<u>3,898</u>	<u>4,509</u>	<u>3,489</u>	<u>4,222</u>

Included in other loans are loans due to Halcon Properties Ltd of £3,492,000 (2013: £4,222,000), which are secured by first fixed and floating charges over the company's assets and undertakings.

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts falling due between one and two years:				
Other loans - 1-2 years	<u>3,492</u>	<u>4,222</u>	<u>3,489</u>	<u>4,222</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2014	2013
	£'000	£'000
Net obligations repayable:		
Within one year	177	247
Between one and five years	<u>406</u>	<u>287</u>
	<u>583</u>	<u>534</u>

Amounts due under hire purchase contracts are secured over the assets to which they relate. In addition, of these amounts £495,000 (2013 - £426,000) are also secured by way of fixed and floating charges over the assets and undertakings of the group.

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	2014	2013
	£'000	£'000
Expiring:		
Within one year	10	56
Between one and five years	358	256
In more than five years	<u>2</u>	<u>2</u>
	<u>370</u>	<u>314</u>

These operating lease commitments relate to Utopia Furniture Limited only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
247,500	Ordinary A share	£1.00	247,500	247,500
175,999	Ordinary B shares	£1.00	175,999	175,999
126,500	Ordinary C shares	£0.01	1,265	1,265
16,859,776	Ordinary D shares	£1.00	16,859,776	16,859,776
7,250,000	Preferred ordinary shares	£1.00	<u>7,250,000</u>	<u>7,250,000</u>
			<u>24,534,540</u>	<u>24,534,540</u>

On return of capital on winding up but not otherwise, the assets of the company available for distribution to the holders of the ordinary A shares, ordinary B shares, ordinary C shares, ordinary D shares and preferred ordinary shares shall be applied:

- First, in redeeming at nominal value all of the preferred ordinary shares;
- Second, in paying to the holders of the preferred ordinary shares (pari passu as A class) a distribution in the sum of £50,000;
- Third, in paying to the ordinary A shareholders a sum equal to any arrears or accruals of the dividends on the ordinary A shares calculated to the date of the return of capital;
- Fourth, in paying to the ordinary A shareholders a sum equal to the subscription price for each share;
- Fifth, in paying to the ordinary B shareholders a sum equal to the subscription price for each such share ratably amongst them;
- Sixth, the balance of such sums up to £80,000,000 shall be distributed amongst the ordinary A shareholders, and ordinary B shareholders (pari passu as if the same constituted one class of share);
- Seventh, in paying to the ordinary D shareholders the sum of £1 per share;
- Eighth, the balance of such assets shall be distributed amongst the ordinary A shareholders, ordinary B shareholders and ordinary C shareholders (pari passu as if the same constituted one class of share).

20. RESERVES

Group

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1st July 2013	(10,730)	1,705	(9,025)
Deficit for the year	<u>(532)</u>	<u>-</u>	<u>(532)</u>
At 30th June 2014	<u>(11,262)</u>	<u>1,705</u>	<u>(9,557)</u>

Company

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1st July 2013	(13,623)	1,705	(11,918)
Deficit for the year	<u>(126)</u>	<u>-</u>	<u>(126)</u>
At 30th June 2014	<u>(13,749)</u>	<u>1,705</u>	<u>(12,044)</u>

A share premium reserve of £1,705,000 was created on the refinancing of the business in July 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

21. MINORITY INTERESTS

Minority interests relate to 87,740 ordinary non-voting shares in Barrhead Sanitary Ware Limited, largely held by former employees of the business.

22. PENSION COMMITMENTS

The company participates in 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 £107,000 (2013: £154,000). Accrued pension contributions amounted to £28,000 at the year end (2013: £28,000).

23. CAPITAL COMMITMENTS

	2014 £'000	2013 £'000
Contracted but not provided for in the financial statements	<u>450</u>	<u>-</u>

These capital commitments relate to Utopia Furniture Limited only.

24. RELATED PARTY DISCLOSURES

Mr I W Hall and Mr D W Conn each have a significant shareholding in the ultimate parent company, Utopia Bathroom Group Limited, as well as significant interest in Halcon Properties Limited, IDM Design Partnership and IH Business Consultancy.

Halcon Properties Limited

During the year the company incurred expenses from Halcon Properties Limited amounting to £344,000 (2013: £32,000).

During the year the company received use of a long term secured loan from Halcon Properties Limited. Interest of £126,000 was charged on this loan (2013: interest payable was waived by Halcon Properties Limited).

	2014 £'000	2013 £'000
Amount due to related party at the balance sheet date	<u>3,492</u>	<u>4,222</u>

IDM Partnership

During the year the company incurred expenses from IDM Partnership amounting to £133,000 (2013: £162,000).

	2014 £'000	2013 £'000
Amount due to related party at the balance sheet date (included in trade creditors)	<u>15</u>	<u>15</u>

IH Business Consultancy

During the year the company incurred expenses from IH Business Consultancy amounting to £20,000 (2013: £24,000).

	2014 £'000	2013 £'000
Amount due to related party at the balance sheet date (included in trade creditors)	<u>-</u>	<u>2</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2014

25. ULTIMATE CONTROLLING PARTY

No shareholder owns more than 50% of the share capital and therefore the directors are of the opinion that there is no ultimate controlling party.

26. RECONCILIATION OF MOVEMENTS IN RESERVES

Group

	2014 £'000	2013 £'000
Loss for the financial year	(532)	(1,499)
Net reduction of reserves	(532)	(1,499)
Opening reserves	<u>15,510</u>	<u>17,009</u>
Closing reserves	<u>14,978</u>	<u>15,510</u>

Company

	2014 £'000	2013 £'000
Loss for the financial year	(126)	-
Net (reduction)/addition to reserves	(126)	-
Opening reserves	<u>12,617</u>	<u>12,617</u>
Closing reserves	<u>12,491</u>	<u>12,617</u>