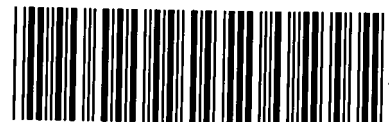


BARRHEAD INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

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

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06/03/2015
COMPANIES HOUSE

BARRHEAD INTERNATIONAL LIMITED

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

DIRECTORS:

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

SECRETARY:

St Pauls Secretaries Limited

REGISTERED OFFICE:

292 St. Vincent Street
Glasgow
G2 5TQ

REGISTERED NUMBER:

SC177682 (Scotland)

AUDITORS:

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

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

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

PRINCIPAL ACTIVITY

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

DIRECTORS

Mr M A Oldham has held office during the whole of the period from 1st July 2013 to the date of this report.

Other changes in directors holding office are as follows:

Mr D W Conn - appointed 1st July 2013

Mr I W Hall - appointed 1st July 2013

Mr M Bailey - resigned 17th September 2013

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 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 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

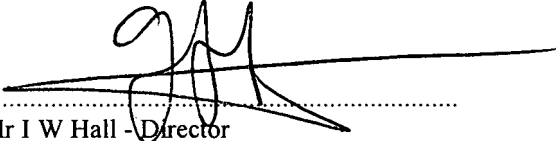
AUDITORS

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'I W Hall', is written over a horizontal dotted line.

Mr I W Hall - Director

Date: 10/12/14

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BARRHEAD INTERNATIONAL LIMITED

We have audited the financial statements of Barrhead International Limited for the year ended 30th June 2014 on pages six to eleven. 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 two, 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 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 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 company's affairs as at 30th June 2014 and of its profit 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

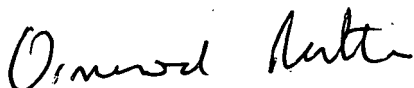
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARRHEAD INTERNATIONAL 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



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: 10/12/14

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

| | Notes | 2014 £ | 2013 £ |
|--|-------|-----------|-----------|
| TURNOVER | | - | - |
| OPERATING PROFIT | 4 | - | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | - | - |
| Tax on profit on ordinary activities | 5 | - | - |
| PROFIT FOR THE FINANCIAL YEAR | | - | - |

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

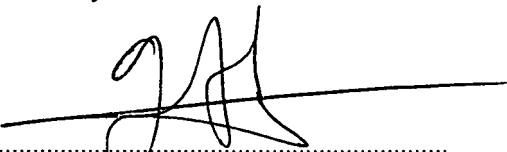
The company has no recognised gains or losses for the current year or previous year.

BALANCE SHEET
30TH JUNE 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|-------------|-------------|
| FIXED ASSETS | | | |
| Investments | 6 | - | - |
| CURRENT ASSETS | | | |
| Cash at bank | | 39 | 39 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>39</u> | <u>39</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 7 | 360,000 | 360,000 |
| Share premium | 8 | 1,454,906 | 1,454,906 |
| Profit and loss account | 8 | (1,814,867) | (1,814,867) |
| SHAREHOLDERS' FUNDS | 12 | <u>39</u> | <u>39</u> |

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 10/12/14 and were signed on its behalf by:



 Mr I W Hall - Director

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Barrhead International 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 and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Utopia Bathroom Group Limited, a company registered in England and Wales.

Financial reporting standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

2. STAFF COSTS

There were no staff costs for the year ended 30th June 2014 nor for the year ended 30th June 2013.

3. DIRECTORS' EMOLUMENTS

The directors are also directors of Utopia Furniture Limited, another company in the group, and their emoluments are included in the financial statements of that company. The remuneration of the directors is paid by the related 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 related parties. The related parties have not charged any amounts to the company in respect of their services in either the current or previous years.

4. OPERATING PROFIT

The auditors remuneration has been borne by an associated group company for both the current and previous years and is not recharged. Information regarding the auditors' total remuneration for auditing the group can be found in the consolidated statements of Utopia Bathroom Group Limited.

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30th June 2014 nor for the year ended 30th June 2013.

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

6. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|-----------------------|---|
| COST | |
| At 1st July 2013 | |
| and 30th June 2014 | <u>1,769,907</u> |
| PROVISIONS | |
| At 1st July 2013 | |
| and 30th June 2014 | <u>1,769,907</u> |
| NET BOOK VALUE | |
| At 30th June 2014 | <u>-</u> |
| At 30th June 2013 | <u>-</u> |

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

Barrhead Sanitary Ware Limited

Nature of business: non-trading company (previously manufacture and sale of sanitary ware)

| Class of shares: | % holding |
|------------------------------------|-----------|
| Ordinary voting shares of £1 | 41.61 |
| Ordinary non-voting shares of £1 | 79.99 |
| Redeemable preference shares of £1 | 100.00 |

| | 2014 £ | 2013 £ |
|--------------------------------|-----------------|-----------------|
| Aggregate capital and reserves | (830,473) | (806,098) |
| Profit/(loss) for the year | <u>(24,375)</u> | <u>(24,375)</u> |

The preference shareholders can vote on certain matters if their dividend is in arrears or their shares have not been redeemed when due for redemption.

Utopia Group Limited, the parent company of Barrhead International Limited, holds a further 58.32% of the ordinary voting shares of £1.

7. CALLED UP SHARE CAPITAL

Allotted and issued:

| Number: | Class: | Nominal value: | 2014 £ | 2013 £ |
|---------|------------|-------------------|----------------|----------------|
| 345,000 | Ordinary A | £1 | 345,000 | 345,000 |
| 15,000 | Ordinary C | £1 | 15,000 | 15,000 |
| | | | <u>360,000</u> | <u>360,000</u> |

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

7. CALLED UP SHARE CAPITAL - continued

The rights attaching to the "A" ordinary shares of £1 each and the "C" ordinary shares of £1 each are as follows:

- The company may, by ordinary resolution, declare dividends in respect of the "A" shares. The "C" shares shall carry no rights to receive a dividend;
- on a return of assets in liquidation or capital reduction or otherwise, the assets of the company remaining after the payment of its liabilities shall be applied as follows:
 - first, in paying to the holders of the "A" shares the sum of £1 per share; and
 - the balance of such assets shall be distributed equally amongst the holders of the "A" shares and the "C" shares (if any) in proportion to the number of shares held by them and pro rata to the capital paid up thereon, subject to a maximum of £1,469,906 in respect of all the "C" shares in issue at the relevant time.

8. RESERVES

| | Profit and loss account £ | Share premium £ | Totals £ |
|---------------------|------------------------------------|-----------------------|------------------|
| At 1st July 2013 | (1,814,867) | 1,454,906 | (359,961) |
| Profit for the year | - | - | - |
| At 30th June 2014 | <u>(1,814,867)</u> | <u>1,454,906</u> | <u>(359,961)</u> |

9. ULTIMATE PARENT COMPANY

The immediate parent company is Utopia Group Limited, a company registered in England and Wales.

The ultimate parent undertaking is Utopia Bathroom Group Limited, a company registered in England and Wales, 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.

10. CONTINGENT LIABILITIES

The company has provided a multi-lateral guarantee over all monies owed by the company and its subsidiaries to HSBC, secured by way of fixed and floating charges over the assets and undertakings of the company. At the year end Utopia Furniture Ltd owed £506,000 (2013 - £436,000) to HSBC.

11. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Barrhead Sanitary Ware Limited

Barrhead International Limited owns 42% of the ordinary voting shares, 80% of the ordinary non-voting shares and 100% of the preference shares of Barrhead Sanitary Ware Limited (with the remaining 58% of the ordinary voting shares being owned by Barrhead International Limited's parent company Utopia Group Limited).

During the year preference share dividends of £24,375 (2013: £24,375) were issued by Barrhead Sanitary Ware Limited to Barrhead International Limited, of which a provision for debts unrecoverable of £24,375 (2013: £24,375) was made by Barrhead International Limited.

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

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2014 | 2013 |
|-------------------------------|-------|-------|
| | £ | £ |
| Profit for the financial year | - | - |
| Opening shareholders' funds | 39 | 39 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 39 | 39 |
| | <hr/> | <hr/> |