

Register

CARRON BATHROOMS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1997

Registered number: 80506

KIDSONS IMPEY
CHARTERED ACCOUNTANTS

Glasgow



CARRON BATHROOMS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 December 1997

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CARRON BATHROOMS LIMITED**COMPANY INFORMATION****31 December 1997**

NUMBER	80506
DIRECTORS	E C Fenna R Dalgetty D Mackenzie A Lawson
SECRETARY	R Dalgetty
REGISTERED OFFICE	P.O. Box 32 Carron Falkirk FK2 8DW
AUDITORS	Kidsons Impey Chartered Accountants Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH

CARRON BATHROOMS LIMITED

DIRECTORS' REPORT

31 December 1997

The directors present their report and the abbreviated financial statements for the year ended 31 December 1997.

Principal activity

The principal activity of the company during the year was that of the manufacture of baths and bathroom products.

Business review

The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £2,204,569.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 December 1997		1 January 1997	
	Ordinary 'A' shares	Ordinary 'B' shares	Ordinary 'A' shares	Ordinary 'B' shares
E C Fenna	26,898	640	26,898	640
R Dalgetty	11,610	3,484	11,610	3,484
D Mackenzie	6,870	2,064	6,870	2,064
A Lawson	4,029	4,905	4,029	4,905

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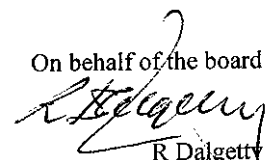
CARRON BATHROOMS LIMITED**DIRECTORS' REPORT**
(continued)

31 December 1997

Auditors

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board


R Dalgetty
Secretary

P.O. Box 32
Carron
Falkirk
FK2 8DW

4 August 1998

CARRON BATHROOMS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

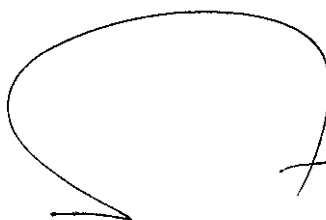
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

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

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

4 August 1998

On behalf of the board

A large, stylized handwritten signature in black ink, consisting of a large loop and a trailing line.

E C Fenna
Director

CARRON BATHROOMS LIMITED**Auditors' report to
Carron Bathrooms Limited
under section 247B to the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 5 to 18, together with the financial statements of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

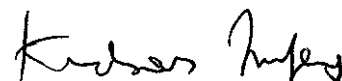
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 18 are properly prepared in accordance with those provisions.

Glasgow
4 September 1998



Kidsons Impey
Registered Auditors
Chartered Accountants

CARRON BATHROOMS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1997

	Note	1997 £	1996 £
Gross profit		1,644,863	1,896,683
Net operating expenses			
Distribution costs		(870,210)	(802,620)
Administrative expenses		(627,909)	(455,070)
Other operating income		-	10,000
Operating profit	2	146,744	648,993
Investment income	4	24,593	35,809
Interest payable	5	(19,591)	(8,306)
Profit on ordinary activities before taxation		151,746	676,496
Taxation	6	3,019	(187,917)
Profit on ordinary activities after taxation		154,765	488,579
Dividends	7	-	(75,625)
Retained profit for the year	20	154,765	412,954

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

CARRON BATHROOMS LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

for the year ended 31 December 1997

	1997 £	1996 £
Reported profit on ordinary activities before taxation	151,746	676,496
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	7,613	8,261
Historical cost profit on ordinary activities before taxation	<u>159,359</u>	<u>684,757</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>162,378</u>	<u>421,215</u>

CARRON BATHROOMS LIMITED

ABBREVIATED BALANCE SHEET

at 31 December 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	8	1,569,214	1,382,168
Current assets			
Stocks	10	869,374	768,560
Debtors	11	1,653,526	1,520,431
Cash at bank and in hand		277,811	-
		<u>2,800,711</u>	<u>2,288,991</u>
Creditors: amounts falling due within one year	12	<u>(2,068,946)</u>	<u>(1,571,002)</u>
Net current assets		<u>731,765</u>	<u>717,989</u>
Total assets less current liabilities		<u>2,300,979</u>	<u>2,100,157</u>
Creditors: amounts falling due after more than one year	13	(35,624)	-
Provision for liabilities and charges	14	<u>(60,786)</u>	<u>(50,352)</u>
		<u>2,204,569</u>	<u>2,049,805</u>
Capital and reserves			
Called up share capital	17	60,500	60,500
Revaluation reserve	18	367,094	367,094
Other reserves	19	30,000	30,000
Profit and loss account	20	1,746,975	1,592,211
Total shareholders' funds	16	<u>2,204,569</u>	<u>2,049,805</u>

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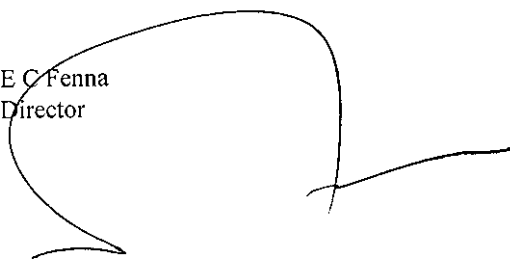
CARRON BATHROOMS LIMITED**ABBREVIATED BALANCE SHEET**
(continued)

at 31 December 1997

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 18 were approved by the board of directors on 4 August 1998 and signed on its behalf by:

E C Fenna
Director



CARRON BATHROOMS LIMITED**CASH FLOW STATEMENT**

for the year ended 31 December 1997

	Note	1997		1996	
		£	£	£	£
Net cash inflow from operating activities	22		655,700		184,279
Returns on investments and servicing of finance					
Interest received		24,593		35,809	
Interest paid		(12,727)		(3,846)	
Interest element of finance lease rental payments		(6,864)		(4,460)	
			5,002		27,503
Taxation					
Corporation tax paid			(88,752)		(360,841)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(240,828)		(379,469)	
Sale of tangible fixed assets		9,600		24,250	
			(231,228)		(355,219)
			340,722		(504,278)
Equity dividends paid			-		(199,370)
			340,722		(703,648)
Financing					
Capital element of finance lease rentals		(35,641)		(16,680)	
			(35,641)		(16,680)
Increase/(decrease) in cash			305,081		(720,328)

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for items within freehold property and plant and machinery which are stated at valuation.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Land and buildings	1% straight line
Plant and machinery	10% of reducing balance
Motor vehicles	25% of reducing balance
Fixtures and fittings	15% of reducing balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies continued

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating profit

	1997 £	1996 £
Operating profit is stated after charging		
Staff costs (note 3)	1,725,577	1,669,762
Auditors' remuneration	7,250	9,800
Operating leases		
Hire of plant and machinery	6,657	6,458
Loss on sale of assets	4,324	431
Loss on foreign exchange	101,983	2,805
Depreciation of tangible fixed assets		
(note 8)		
owned assets	121,532	113,270
leased assets	16,991	7,694
	138,523	120,964
The total amount charged against profits		
in respect of finance leases and hire		
purchase contracts is	23,855	12,154
(of which part is shown as depreciation		
and the balance is shown as interest		
payable in note 5)		

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

3 Directors and employees

	1997	1996
	£	£
Staff costs including directors' emoluments		
Wages and salaries	1,493,975	1,444,528
Social security costs	149,398	144,875
Pension costs	82,204	80,359
	<u>1,725,577</u>	<u>1,669,762</u>

	Number	Number
Average monthly number employed including executive directors:		
Production staff	68	59
Office and management	9	16
Administration staff	14	14
	<u>91</u>	<u>89</u>

	£	£
Directors		
Emoluments	204,854	204,319
Company contributions to money purchase pension schemes	74,014	74,214
	<u>278,868</u>	<u>278,533</u>

	£	£
Highest paid director		
Emoluments and amounts receivable under long term incentive schemes	57,982	54,859
Company contributions to a money purchase pension scheme	20,014	20,014
	<u></u>	<u></u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £82,204 (1996 £80,359). Contributions totalling £0 (1996 £0) were payable to the fund at 31 December 1997 and are included in creditors.

4 Investment income

	1997	1996
	£	£
Interest receivable	<u>24,593</u>	<u>35,809</u>

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

5	Interest payable	1997	1996
		£	£
	Bank interest	12,727	3,846
	Hire purchase interest	6,864	4,460
		<u>19,591</u>	<u>8,306</u>
		<u><u>19,591</u></u>	<u><u>8,306</u></u>
6	Taxation	1997	1996
		£	£
	Corporation tax on profit on ordinary activities at 21% (1996 33%)	(12,510)	137,565
	Deferred taxation	10,434	50,352
		<u>(2,076)</u>	<u>187,917</u>
	Over provision in earlier years	(943)	-
		<u>(3,019)</u>	<u>187,917</u>
		<u><u>(3,019)</u></u>	<u><u>187,917</u></u>
7	Dividends	1997	1996
		£	£
	Ordinary shares	-	75,625
		<u>-</u>	<u>75,625</u>
		<u><u>-</u></u>	<u><u>75,625</u></u>

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

8 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 January 1997	162,663	1,293,491	79,578	539,308	2,075,040
Additions	37,074	231,470	15,202	55,748	339,494
Disposals	(29,515)	-	-	-	(29,515)
31 December 1997	<u>170,222</u>	<u>1,524,961</u>	<u>94,780</u>	<u>595,056</u>	<u>2,385,019</u>
Depreciation					
1 January 1997	70,730	578,594	30,301	13,068	692,693
Charge for year	28,710	94,637	9,225	5,951	138,523
Disposals	(15,591)	-	-	-	(15,591)
31 December 1997	<u>83,849</u>	<u>673,231</u>	<u>39,526</u>	<u>19,019</u>	<u>815,625</u>
Net book amount					
31 December 1997	<u>86,193</u>	<u>851,730</u>	<u>55,254</u>	<u>576,037</u>	<u>1,569,214</u>
1 January 1997	<u>91,753</u>	<u>714,897</u>	<u>49,278</u>	<u>526,240</u>	<u>1,382,168</u>

The net book amount of fixed assets includes £139,774 (1996 £23,085) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

9 Revalued assets

	1997 £	1996 £
Historical cost information		
Fixed assets historical cost - cost	1,752,921	1,465,702
Fixed assets historical cost - dep'n	(143,931)	(136,318)
	<u>1,608,990</u>	<u>1,329,384</u>

Revaluation of fixed assets

The plant and machinery was professionally revalued on a going concern basis by Shirlaw Allan & Company Limited, Auctioneers and Valuers on 20 March 1986.

Freehold property was professionally revalued by Douglas Inglis & Partners, Chartered Surveyors on 28 July 1994. The valuation is based on the open market value.

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

10	Stocks	1997	1996
		£	£
	Work in progress	131,794	109,206
	Raw materials	518,971	451,323
	Finished goods	218,609	208,031
		<u>869,374</u>	<u>768,560</u>
11	Debtors	1997	1996
		£	£
	Amounts falling due within one year		
	Trade debtors	1,579,411	1,423,967
	Other debtors	49,832	80,089
	Prepayments and accrued income	24,283	16,375
		<u>1,653,526</u>	<u>1,520,431</u>
12	Creditors: amounts falling due within one year	1997	1996
		£	£
	Bank overdrafts	-	27,270
	Trade creditors	1,769,797	1,240,099
	Other creditors	21,005	21,005
	Corporation tax	70	70,859
	Other taxation and social security	57,985	67,758
	Accruals and deferred income	186,946	138,269
	Obligations under finance leases and hire purchase contracts - note 13	33,143	5,742
		<u>2,068,946</u>	<u>1,571,002</u>

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

13 Creditors: amounts falling due
after more than one year

	1997 £	1996 £
Obligations under finance leases	35,624	-
	<u>35,624</u>	<u>-</u>

**Obligations under finance leases
and hire purchase contracts**

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 12	33,143	5,742
In the second to fifth years	35,624	-
	<u>68,767</u>	<u>5,742</u>

14 Provision for liabilities and charges

	1996 £	Profit and loss account £	Other movements £	1997 £
Deferred taxation (notes 6 and 15)	(50,352)	(10,434)	-	(60,786)

15 Deferred taxation

	1997 Potential liability £	1997 Provision made £	1996 Potential liability £	1996 Provision made £
Corporation tax deferred by				
Capital allowances in excess of depreciation	60,786	60,786	50,352	50,352
	<u>60,786</u>	<u>60,786</u>	<u>50,352</u>	<u>50,352</u>

The potential liability and provision are based on a corporation tax rate of 21% (1996 33%).

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

16 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	154,765	488,579
Dividends	-	(75,625)
Net addition to shareholders' funds	154,765	412,954
Opening shareholders' funds	2,049,804	1,636,851
Closing shareholders' funds	2,204,569	2,049,805

17 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary 'A' £1 shares	68,807	68,807	68,807	68,807
Ordinary 'B' £1 shares	11,093	11,093	11,093	11,093
		79,900		79,900
Allotted called up and fully paid				
Ordinary 'A' £1 shares	49,407	49,407	49,407	49,407
Ordinary 'B' £1 shares	11,093	11,093	11,093	11,093
		60,500		60,500

18 Revaluation reserve

	1997 £
1 January 1997 and 31 December 1997	367,094

19 Other reserves

	1997 £
Capital redemption reserve	30,000

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

20 Profit and loss account

	1997 £
1 January 1997	1,592,210
Retained profit for the year	154,765
31 December 1997	<u>1,746,975</u>

21 Contingencies

A Financial Guarantee for £32,000 in favour of HM Customs & Excise is in place.

22 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1996 £	1997 £
Operating profit	146,744	648,993
Depreciation charges	138,523	120,964
Loss on sale of fixed assets	4,324	431
Increase in stocks	(100,814)	(65,924)
Increase in debtors	(120,585)	(416,034)
Increase/(decrease) in creditors	87,508	(104,151)
Net cash inflow from operating activities	<u>655,700</u>	<u>184,279</u>

CARRON BATHROOMS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

23 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash in hand, at bank	-	277,811	-	277,811
Overdrafts	(27,270)	27,270	-	-
		<u>305,081</u>		
Finance leases	(5,742)	35,641	(98,666)	(68,767)
		<u>35,641</u>		
Total	<u>(33,012)</u>	<u>340,722</u>	<u>(98,666)</u>	<u>209,044</u>

Reconciliation of net cash flow to movement in net debt

	1997 £	1996 £
Increase/(decrease) in cash in the year	305,081	(720,327)
Cash outflow from decrease in debt and lease financing	35,641	16,680
Change in net debt resulting from cash flows	<u>340,722</u>	<u>(703,647)</u>
New finance leases	(98,666)	-
Movement in net debt in the year	<u>242,056</u>	<u>(703,647)</u>
Net debt at 1 January 1997	(33,012)	670,635
Net debt at 31 December 1997	<u>209,044</u>	<u>(33,012)</u>