

THE LANE DELPH POTTERY LIMITED

Report and Financial Statements

31 December 1999



REPORT AND FINANCIAL STATEMENTS 1999

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DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the Company is the selling and distribution of pottery and associated products.

BUSINESS REVIEW, FUTURE PROSPECTS AND RESULTS

The results of the Company are set out on page 5. The retained loss for the year of £2,010 (1998 - profit of £27,656) has been deducted from reserves brought forward.

The Company ceased to trade on 28 February 1999 and is expected to remain dormant.

DIVIDEND

The Directors recommend that no dividend be paid (1998 - £Nil).

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year were as follows:

K Farhadi
A M Miles
B W J Phillips
J R T Teed

The Directors have no interests in the shares of the Company.

The interests of the Directors and their families in the shares of Portmeirion Potteries (Holdings) PLC, the ultimate parent company, are disclosed in the accounts of that company. There have been no movements in the shareholding of J R T Teed and his family since his resignation from the board of the parent company.

YEAR 2000

Following their initial review, the Directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the Directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

THE EURO

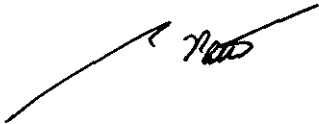
The Group has reviewed the impact of the euro on its operations. The facility to transact in euros was available from 1 January 1999. We have received assurances regarding the future euro compliance of our new accounting software from its authors.

DIRECTORS' REPORT

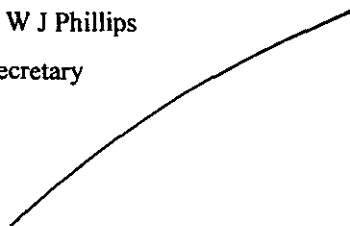
AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



B W J Phillips
Secretary



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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

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



AUDITORS' REPORT TO THE MEMBERS OF

THE LANE DELPH POTTERY LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of Directors and auditors

As described on page 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

Colmore Gate, 2 Colmore Row, Birmingham B3 2BN

16 June 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	1999 £	1998 £
TURNOVER	3	84,102	747,530
Cost of sales		<u>(63,043)</u>	<u>(521,342)</u>
GROSS PROFIT		21,059	226,188
Management charges		<u>(29,656)</u>	<u>(186,032)</u>
OPERATING (LOSS)/PROFIT BEING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,597)	40,156
Tax on loss/(profit) on ordinary activities	4	<u>6,587</u>	<u>(12,500)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING THE RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(2,010)	27,656
Reserves brought forward		<u>196,295</u>	<u>168,639</u>
Reserves carried forward		<u><u>194,285</u></u>	<u><u>196,295</u></u>

All activities derive from operations that are now discontinued.

The Company has no recognised gains or losses or other movements in shareholders' funds other than the loss for the year and the profit for the preceding year shown above. Accordingly no separate statement of total recognised gains and losses or reconciliation of movements in shareholders' funds are given.

BALANCE SHEET
31 December 1999

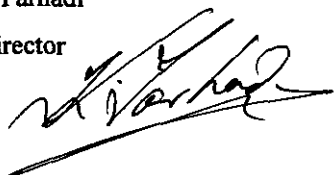
	Note	1999 £	1998 £
CURRENT ASSETS			
Stocks	5	-	219,764
Debtors	6	254,618	109,608
Cash at bank and in hand		-	13,777
		<u>254,618</u>	<u>343,149</u>
CREDITORS: amounts falling due within one year	7	-	(86,521)
NET CURRENT ASSETS		<u>254,618</u>	<u>256,628</u>
CREDITORS: amounts falling due after more than one year	8	(60,233)	(60,233)
NET ASSETS		<u>194,385</u>	<u>196,395</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account		194,285	196,295
EQUITY SHAREHOLDERS' FUNDS		<u>194,385</u>	<u>196,395</u>

These financial statements were approved by the Board of Directors on **23.6.00**

Signed on behalf of the Board of Directors

K Farhadi

Director



NOTES TO THE ACCOUNTS
Year ended 31 December 1999**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stock

Stocks are valued at the lower of cost and net realisable value.

Taxation

Taxation charged against profits is the estimated liability for the year calculated in accordance with the legislation and the rates currently ruling.

Provision is made for deferred taxation in respect of timing differences to the extent that a liability may become payable in the foreseeable future.

Related party transactions

The Company has taken advantage of the exemption allowed to subsidiary companies under Financial Reporting Standard 8 – “Related Party Transactions” and therefore transactions with other group companies are not disclosed separately.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company has no employees. The Directors received no remuneration from the Company during this year or the previous year.

3. SEGMENTAL ANALYSIS

The Directors are of the opinion that only one major class of business is being undertaken, that of distribution of pottery and associated products. The geographical analysis is as follows:

	1999 £	1998 £
Turnover by destination		
United Kingdom	84,102	745,224
Rest of the World	-	2,306
	<u>84,102</u>	<u>747,530</u>

No geographical analysis of turnover, profit or net assets by origin is required since all originate in the United Kingdom.

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

4. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
UK corporation tax at 30.25% (1998 – 31%)	-	12,500
Prior year adjustment - corporation tax	(6,587)	-
	<u>(6,587)</u>	<u>12,500</u>

There is no current year corporation tax credit as a result of non payment for group relief surrendered.

5. STOCKS

	1999 £	1998 £
Finished goods	-	219,764
	<u>-</u>	<u>219,764</u>

6. DEBTORS

	1999 £	1998 £
Trade debtors	-	109,608
Amounts due from parent	250,934	-
Corporation tax recoverable	3,684	-
	<u>254,618</u>	<u>109,608</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Amounts owed to parent and fellow subsidiary undertakings	-	71,170
Corporation tax	-	15,351
	<u>-</u>	<u>86,521</u>