

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003  
FOR  
PORTLAND CERAMICS LIMITED**



**PORTLAND CERAMICS LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2003**

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**PORTLAND CERAMICS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2003**

**DIRECTORS:**

Mr M Prentice  
Mr N Usher  
Mr C Grimsdell

**SECRETARY:**

S Fennell

**REGISTERED OFFICE:**

1 Thane Road West  
Nottingham  
NG2 3AA

**REGISTERED NUMBER:**

3487609 (England and Wales)

**AUDITORS:**

Hanley & Co  
Chartered Accountants  
Registered Auditors  
18 Church Street  
Ashton under Lyne  
OL6 6XE

## **PORTLAND CERAMICS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2003**

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a dental laboratory.

#### **REVIEW OF BUSINESS**

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

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2003.

#### **DIRECTORS**

The directors during the year under review were:

Mr C Brooks	- resigned 13.9.2002
Mr M Prentice	
Mr P Douty	- resigned 2.8.2002
Mr N Usher	- appointed 2.8.2002
Mr C Grimsdell	- appointed 13.9.2002

The directors holding office at 31 March 2003 did not hold any beneficial interest in the issued share capital of the company at 1 April 2002 (or date of appointment if later) or 31 March 2003.


#### **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 then 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.

#### **ON BEHALF OF THE BOARD:**

  
.....  
S Fennell - Secretary

Date: 13/12/04

## PORTLAND CERAMICS LIMITED

### REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PORTLAND CERAMICS LIMITED

We have audited the financial statements of Portland Ceramics Limited for the year ended 31 March 2003 on pages four to fourteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hanley & Co  
Chartered Accountants  
Registered Auditors  
18 Church Street  
Ashton under Lyne  
OL6 6XE

Date: 15/12/2004

**PORTLAND CERAMICS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2003**

		<u>2003</u>	<u>2002</u>
	Notes	£	£
<b>TURNOVER</b>		2,344,775	1,325,750
Cost of sales		<u>(1,605,776)</u>	<u>(827,005)</u>
<b>GROSS PROFIT</b>		738,999	498,745
Administrative expenses		<u>(939,926)</u>	<u>(525,126)</u>
		(200,927)	(26,381)
Other operating income		<u>65,803</u>	<u>20,215</u>
<b>OPERATING LOSS</b>	3	(135,124)	(6,166)
Diminution of buildings	4	<u>-</u>	<u>(51,250)</u>
		(135,124)	(57,416)
Interest payable and similar charges	5	<u>(460)</u>	<u>(5,679)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(135,584)	(63,095)
Tax on loss on ordinary activities	6	<u>76,708</u>	<u>(13,291)</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(58,876)	(76,386)
Retained profit brought forward		<u>24,076</u>	<u>100,462</u>
<b>(DEFICIT)/RETAINED PROFIT CARRIED FORWARD</b>		<u>£(34,800)</u>	<u>£24,076</u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current and previous years.

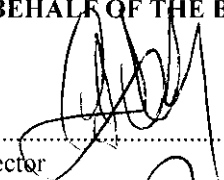
The notes form part of these financial statements

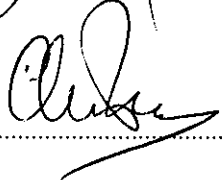
**PORTLAND CERAMICS LIMITED**

**BALANCE SHEET**  
**31 MARCH 2003**

		<u>2003</u>	<u>2002</u>
	Notes	£	£
<b>FIXED ASSETS:</b>			
Intangible assets	7	15,000	18,000
Tangible assets	8	<u>548,121</u>	<u>471,209</u>
		<u>563,121</u>	<u>489,209</u>
<b>CURRENT ASSETS:</b>			
Stocks	9	77,002	36,574
Debtors	10	218,531	137,100
Cash at bank and in hand		<u>402</u>	<u>163,969</u>
		295,935	337,643
<b>CREDITORS:</b> Amounts falling due within one year	11	<u>(155,760)</u>	<u>(212,360)</u>
<b>NET CURRENT ASSETS:</b>		<u>140,175</u>	<u>125,283</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		703,296	614,492
<b>CREDITORS:</b> Amounts falling due after more than one year	12	(725,247)	(585,804)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	15	<u>(12,749)</u>	<u>(4,512)</u>
		<u>£(34,700)</u>	<u>£24,176</u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	16	100	100
Profit and loss account		<u>(34,800)</u>	<u>24,076</u>
<b>SHAREHOLDERS' FUNDS:</b>	19	<u>£(34,700)</u>	<u>£24,176</u>

**ON BEHALF OF THE BOARD:**

  
..... C.R. GRIMSDALL  
- Director

  
..... C. POTTS  
- Director

Approved by the Board on ..... 13<sup>th</sup> Dec. 04.

The notes form part of these financial statements

## PORTLAND CERAMICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

#### 1. ACCOUNTING POLICIES

##### Accounting convention

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

##### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

##### Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1998, is being written off evenly over its estimated useful life of 10 years.

##### 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 - 20% reducing balance basis.

Fixtures and fittings - 20% reducing balance basis.

Motor vehicles - 25% reducing balance basis.

Buildings - 1% straight line basis.

##### Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### 2. STAFF COSTS

	2003 £	2002 £
Wages and salaries	<u>1,276,396</u>	<u>750,659</u>

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

2003	2002
<u>82</u>	<u>40</u>



**PORTLAND CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

**3. OPERATING LOSS**

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

	2003	2002
	£	£
Hire of plant and machinery	33,207	21,890
Depreciation - owned assets	78,077	76,423
(Profit)/Loss on disposal of fixed assets	(5,032)	2,800
Goodwill written off	3,000	3,000
Auditors' remuneration	<u>6,169</u>	<u>-</u>

Directors' emoluments

- -

**4. EXCEPTIONAL ITEMS**

A permanent diminution in the value of buildings took place in 2002. The building was sold this year at a value less than cost.

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2003	2002
	£	£
Bank loan interest	-	2,514
Hire purchase	<u>460</u>	<u>3,165</u>
	<u>460</u>	<u>5,679</u>

**6. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	(55,475)	(13,417)
Prior years adjustment	<u>(29,470)</u>	<u>29,470</u>
Total current tax	<u>(84,945)</u>	<u>16,053</u>
Deferred taxation	8,237	(2,762)
Tax on loss on ordinary activities	<u>(76,708)</u>	<u>13,291</u>

**PORTLAND CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

**6. TAXATION - continued**

**Factors affecting the tax (credit)/charge**

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

	2003 £	2002 £
Loss on ordinary activities before tax	<u>(135,584)</u>	<u>(63,095)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	(40,675)	(18,929)
Effects of:		
Expenses not deductible for tax purposes	900	901
Depreciation for period in excess of capital allowances	(15,700)	2,762
Permanent adjustment	-	1,849
Prior years adjustment	<u>(29,470)</u>	<u>29,470</u>
Current tax (credit)/charge	<u>(84,945)</u>	<u>16,053</u>

**7. INTANGIBLE FIXED ASSETS**

Goodwill

**COST:**

At 1 April 2002  
and 31 March 2003

£

30,000

**AMORTISATION:**

At 1 April 2002  
Charge for year

12,000

3,000

At 31 March 2003

15,000

**NET BOOK VALUE:**

At 31 March 2003

15,000

At 31 March 2002

18,000

**PORTLAND CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

**8. TANGIBLE FIXED ASSETS**

	Freehold property	Buildings	Plant and machinery
	£	£	£
<b>COST:</b>			
At 1 April 2002	1,500	130,000	310,978
Additions	-	-	162,176
Disposals	<u>(1,500)</u>	<u>(130,000)</u>	<u>-</u>
At 31 March 2003	<u>-</u>	<u>-</u>	<u>473,154</u>
<b>DEPRECIATION:</b>			
At 1 April 2002	-	56,500	46,998
Charge for year	-	-	40,372
Eliminated on disposals	<u>-</u>	<u>(56,500)</u>	<u>-</u>
At 31 March 2003	<u>-</u>	<u>-</u>	<u>87,370</u>
<b>NET BOOK VALUE:</b>			
At 31 March 2003	<u>-</u>	<u>-</u>	<u>385,784</u>
At 31 March 2002	<u>1,500</u>	<u>73,500</u>	<u>263,980</u>

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1 April 2002	129,038	15,490	587,006
Additions	67,814	-	229,990
Disposals	<u>-</u>	<u>-</u>	<u>(131,500)</u>
At 31 March 2003	<u>196,852</u>	<u>15,490</u>	<u>685,496</u>
<b>DEPRECIATION:</b>			
At 1 April 2002	11,010	1,290	115,798
Charge for year	34,585	3,120	78,077
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>(56,500)</u>
At 31 March 2003	<u>45,595</u>	<u>4,410</u>	<u>137,375</u>
<b>NET BOOK VALUE:</b>			
At 31 March 2003	<u>151,257</u>	<u>11,080</u>	<u>548,121</u>
At 31 March 2002	<u>118,029</u>	<u>14,200</u>	<u>471,209</u>

**9. STOCKS**

	2003 £	2002 £
Stock & work in progress	<u>77,002</u>	<u>36,574</u>

**PORTLAND CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

**10. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	146,614	121,825
Corporation tax	48,414	-
Prepayments	<u>23,503</u>	<u>15,275</u>
	<u>218,531</u>	<u>137,100</u>

**11. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 13)	2,666	-
Hire purchase contracts (see note 14)	1,819	1,819
Trade creditors	72,488	140,071
Other creditors	-	29,470
Accrued expenses	<u>78,787</u>	<u>41,000</u>
	<u>155,760</u>	<u>212,360</u>

**12. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Other Creditors	723,883	582,621
Hire purchase contracts (see note 14)	<u>1,364</u>	<u>3,183</u>
	<u>725,247</u>	<u>585,804</u>

**13. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,666</u>	<u>-</u>

**PORTLAND CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	2003	2002
	£	£
Gross obligations repayable:		
Within one year	1,819	1,819
Between one and five years	<u>1,364</u>	<u>3,183</u>
	<u>3,183</u>	<u>5,002</u>
Net obligations repayable:		
Within one year	1,819	1,819
Between one and five years	<u>1,364</u>	<u>3,183</u>
	<u>3,183</u>	<u>5,002</u>

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

	Land and buildings operating leases	
	2003	2002
	£	£
Expiring:		
In more than five years	<u>80,000</u>	<u>80,000</u>

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

	2003	2002
	£	£
Deferred taxation	<u>12,749</u>	<u>4,512</u>
	Deferred tax	
	£	
Balance at 1 April 2002	4,512	
Accelerated capital allowances	<u>8,237</u>	
Balance at 31 March 2003	<u>12,749</u>	

# **PORTLAND CERAMICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003**

### **16. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted and issued:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
100	Share capital 1	£1	<u>100</u>	<u>100</u>

The whole of the issued share capital of the Company, being 100 ordinary shares of £1 each, was purchased by Boots the Chemists Limited on 30 March 2001.

### **17. ULTIMATE PARENT COMPANY**

The company's immediate holding company (which is also the immediate controlling party) is Boots the Chemists Limited and its ultimate holding company (which is also the ultimate controlling party) is The Boots Company plc, a company incorporated in Great Britain and registered in England and Wales. The results of the company are included in the group financial statements of The Boots Company plc. Copies of the group financial statements may be obtained from 1 Thane Road West, Nottingham, NG2 3AA. The Company is exempt from disclosing transactions with other group undertakings and investees of the group qualifying as related parties as permitted by paragraph 3 of Financial Reporting Standard 8.

### **18. CAPITAL COMMITMENTS**

	2003	2002
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

### **19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003	2002
	£	£
Loss for the financial year	<u>(58,876)</u>	<u>(76,386)</u>
<b>Net reduction of shareholders' funds</b>	<b>(58,876)</b>	<b>(76,386)</b>
Opening shareholders' funds	<u>24,176</u>	<u>100,562</u>
<b>Closing shareholders' funds</b>	<b><u>(34,700)</u></b>	<b><u>24,176</u></b>
Equity interests	<u>(34,700)</u>	<u>24,176</u>

# **PORTLAND CERAMICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003**

### **20. DIRECTORS' SHAREHOLDINGS AND SHARE OPTIONS**

The beneficial interests of the directors, who are not directors of the ultimate holding company, and their families, in the share capital of the ultimate holding company at 31st March 2003 are shown below. No director holds any loan capital in the ultimate holding company. The share interests of the directors of the ultimate holding company are included in those group financial statements.

		<b>Ordinary Shares under executive ad SAYE options</b>						
		<b>Ordinary Shares under options 2003</b>	Average option price 2003 £	Exercised during the year	exercise price	Market price at date of exercise	Granted during the year	Ordinary Shares under options 2002
<b>Ordinary Shares 2003</b>	<b>Ordinary Shares 2002</b>							
C R Grimsdell	1,500**	14,675	6,154	-	-	-	6,860	7,815**
N A Usher	238*	38,868	6,319	-	-	-	18,307	20,561

\* Included within the Ordinary shares held are shares purchased under the Share Investment Plan by the following: N A Usher 238

\*\* At date of appointment

The market price of the ultimate holding company's shares at 31st March 2003 was 530.5p. The range of market prices during the year was 492p to 725p. Prices shown for options exercised during the year represent the weighted average of prices. The average option price for 2003 represents the weighted average price for options outstanding at 31st March 2003.

Under a savings related scheme options may be granted to qualifying employees to subscribe for ordinary shares at approximately 80% of market price.

Under the executive share option plan 2001 certain directors were granted options to subscribe for ordinary shares in Boots Group PLC. These options become exercisable 3 years after grant if the performance target is met. If the target is not met, the performance period is extended but if the target is still not met by the end of the sixth year of the performance period, the options lapse. Once the performance target is met, such options are exercisable up to 10 years from grant at option prices of 630p and 594p.

The table below shows the number of shares in Boots Group PLC (the ultimate holding company) over which certain directors have been granted conditional rights under the Long Term Bonus Scheme operated by The Boots Company PLC. At the end of a four year performance cycle, (three years for the schemes commenced in 2002) half the bonus earned is paid in cash and half as a share award.

<b>Ordinary shares conditional awards</b>				
<b>31st March 2003</b>	<b>Exercised during the year</b>	<b>Lapsed during the year</b>	<b>Granted during the year</b>	<b>31st March 2002</b>
<b>Long Term Bonus Scheme</b>				
N A Usher	2,591	(2,401)	-	1,264
				3,728

The table below shows the number of shares in Boots Group PLC (the ultimate holding company) that have been conditionally awarded to certain directors under The Boots Company All Employees Share Ownership Plan 2000. The employee will normally become unconditionally entitled to these shares after remaining employed for a further three years.

**PORTLAND CERAMICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

	<b>Conditional entitlement award under the All Employee Share Ownership Plan 2000</b>		
	<b>31st March 2003</b>	<b>Awarded during the year</b>	<b>31st March 2002</b>
G R Grimsdell	81	39	42
J M Prentice	133	64	69
N A Usher	81	39	42

\* At date of appointment

As a potential beneficiary, each director is deemed to have an interest in a total of 16,848,633 ordinary shares of the company held by the following employee trusts, namely, Boots ESOP\*\* Trust Limited (established to facilitate the operation of the company's executive bonus schemes), Boots (QUEST) Trustee Limited (established in connection with the company's UK all-employee SAYE Share Option Scheme) and Boots Share Plan Trustee Limited (established in connection with The Boots Company's All Employee Share Ownership Plan 2000).

\*\* Employee Share Ownership

21. **GOING CONCERN**

The management of Boots The Chemists Limited are aware of the financial position of the company and intend to provide the necessary level of financial support for the company to pay its debts as they become due.



**.PORTLAND CERAMICS LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2003**

	2003		2002	
	£	£	£	£
<b>Sales</b>		2,344,775		1,325,750
<b>Cost of sales:</b>				
Opening stock	36,574		15,000	
Purchases	746,980		365,081	
Production wages & national insurance	<u>899,224</u>		<u>483,498</u>	
	1,682,778		863,579	
Closing stock & work in progress	<u>(77,002)</u>		<u>(36,574)</u>	
		<u>1,605,776</u>		<u>827,005</u>
<b>GROSS PROFIT</b>		738,999		498,745
<b>Other income:</b>				
Rents received	20,395		20,215	
Training courses	<u>45,408</u>		<u>-</u>	
		<u>65,803</u>		<u>20,215</u>
		804,802		518,960
<b>Expenditure:</b>				
Administration wages	377,172		267,161	
Telephone	12,445		3,835	
Post & stationery	172,153		58,376	
Travelling, Accommodation and Entertainment	11,942		11,696	
Motor expenses	5,376		29,997	
Courses	23,078		10,195	
Equipment leasing	33,207		21,890	
Repairs & renewals	24,422		7,639	
DLA membership	-		751	
Sundry expenses	47,946		18,967	
Auditors remuneration	6,169		-	
Professional fees	5,270		19,486	
Audit & accountancy	-		5,576	
Entertainment	6,636		5,301	
Bad debts	-		248	
Property expenses	5,144		18,396	
Rent	81,400		-	
Rates & water	25,194		7,061	
Insurance	10,955		2,624	
Light & heat	<u>13,830</u>		<u>3,137</u>	
		<u>862,339</u>		<u>492,336</u>
Carried forward		(57,537)		26,624

This page does not form part of the statutory financial statements

**PORTLAND CERAMICS LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2003**

	<u>2003</u>		<u>2002</u>	
	£	£	£	£
Brought forward		(57,537)		26,624
<b>Finance costs:</b>				
Bank loan interest	-		2,514	
Hire purchase	460		3,165	
Bank charges	<u>1,542</u>		<u>1,817</u>	
		<u>2,002</u>		<u>7,496</u>
		(59,539)		19,128
<b>Depreciation:</b>				
Buildings-	1,315			
Plant & machinery	40,372		16,886	
Fixtures & fittings	34,585		4,919	
Motor vehicles	3,120		2,053	
Goodwill	<u>3,000</u>		<u>3,000</u>	
		<u>81,077</u>		<u>28,173</u>
		(140,616)		(9,045)
<b>Profit/(Loss) on disposal of fixed assets:</b>				
Plant & machinery	2,032		-	
Fixtures & fittings	3,000		-	
Motor vehicles	<u>-</u>		<u>(2,800)</u>	
		<u>5,032</u>		<u>(2,800)</u>
		(135,584)		(11,845)
<b>Exceptional items:</b>				
Diminution of buildings		<u>-</u>		<u>(51,250)</u>
<b>NET LOSS</b>		<u><u>£(135,584)</u></u>		<u><u>£(63,095)</u></u>