

Registered number
284115

Cookson Minerals Limited
Directors' Report and Financial
Statements

31 December 2004



Cookson Minerals Limited

Directors' Report

The directors present their report and accounts for the year ended 31 December 2004.

Principal activity

The principal activity of the company is that of a holding company for Alpha Metals SpA, an Italian trading company. During the year, the Company converted the nominal value of its authorised and issued share capital from 10p per share to £1 per share as more fully described in note 8 to the financial statements.

Results and dividends

The profit for the financial year amounted to £2,067,003 (2003: £nil). The Directors do not recommend the payment of a dividend (2003: £nil).

Directors

During the year, no Director had any beneficial interest in the shares of the Company. The Directors who served during the year and their interest in the ordinary shares of Cookson Group plc, the ultimate holding company, are stated below.

	Options to purchase 1p ordinary shares				Interests in 1p ordinary shares		
	At 1	Granted	Exercised	Lapsed	At 31	At 31	At 31
	January 2004				December 2004	December 2004	December 2003
BR Elliston	1,288,772	185,766	-	30,792	1,443,746	63,810	65,078
RMH Malthouse	1,380,587	264,781	-	29,415	1,615,953	153,524	153,524

Directors' responsibilities

Company law requires the Directors to prepare accounts 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 for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining 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 accounts 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

The Company has passed a resolution to appoint KPMG Audit Plc as auditors. The Company was dormant in 2003 and therefore not required to appoint an auditor. The Company has previously passed elective resolutions in accordance with section 379A of the Companies Act making it exempt from the obligation to hold an Annual General Meeting and of reappointing the auditors annually. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 13 September 2005.

Robert S. Fell

Miss RS Fell
Company Secretary

Independent auditors' report to the members of Cookson Minerals Limited

We have audited the financial statements on pages 3 to 8.

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 auditor's 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

The Directors are responsible for preparing the Directors' report and, as described on page 1, the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts 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 Directors' report is not consistent with the accounts, 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.

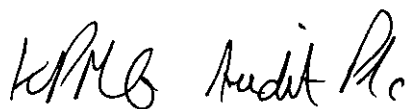
Basis of opinion

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 accounts. It also includes an assessment of the significant estimate and judgements made by the Directors in the preparation of the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

London
EC4Y 8BB

13 September 2005

Cookson Minerals Limited

Profit and Loss Account

For the year ended 31 December 2004

	Notes	<u>2004</u>	<u>2003</u>
		£	£
Income from investments	3	2,027,451	-
Interest receivable and similar income	4	39,552	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		2,067,003	
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Retained profit for the financial year	9	2,067,003	-
		<hr/>	<hr/>

The Company has no recognised gains or losses other than the above.

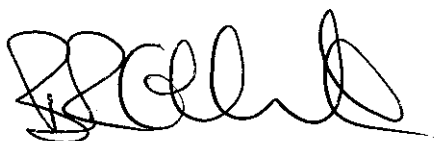
All amounts for the current year arose from continuing operations.

Cookson Minerals Limited

Balance Sheet

As at 31 December 2004

	Notes	<u>2004</u>		<u>2003</u>	
		£	£	£	£
Fixed Assets					
Investments	6		1,322,434		-
Current assets					
Debtors	7	8,008,456		417,501	
Cash at bank		<u>2,076,048</u>		-	
Net current assets			<u>10,084,504</u>		<u>417,501</u>
Net assets			<u>11,406,938</u>		<u>417,501</u>
Capital and Reserves					
Called up share capital	8		9,302,434		380,000
Share premium			37,501		37,501
Profit and loss account	9		<u>2,067,003</u>		<u>-</u>
Equity shareholders' funds	10		<u>11,406,938</u>		<u>417,501</u>



BR Elliston

Director

Approved by the board on 13 September 2005

Cookson Minerals Limited

Notes to the Accounts

For the year ended 31 December 2004

1 Accounting policies

Accounting convention

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

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements since the Company is itself a wholly-owned subsidiary of Cookson Group plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement of FRS 1 (Revised) to prepare a cash flow statement as its cash flows are included within the consolidated cash flow statement of Cookson Group plc.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date which could give rise to an obligation in the future.

Investments

Investments in subsidiary undertakings ('subsidiaries') and associated undertakings ('associates') are stated at costs, less any provisions for diminution in value that are expected to be permanent.

Related party transactions

As the Company is a wholly owned subsidiary of Cookson Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Cookson Group plc group.

2 Operating profit

Other than the Directors the Company had no employees during the year. The Directors received no remuneration in respect of their services to the Company during the year. The auditor remuneration is borne by the parent company.

3 Investment Income

	2004	2003
	£	£
Dividends received from subsidiary undertaking	<u>2,027,451</u>	<u>-</u>

Cookson Minerals Limited

Notes to the Accounts (continued)

For the year ended 31 December 2004

4 Interest receivable and similar income

	2004 £	2003 £
Bank interest received	946	
Foreign exchange gain	38,606	-
	<u>39,552</u>	<u>-</u>

5 Taxation

	2004 £	2003 £
Analysis of charge in period		
UK corporation tax at 30% (2003: 30%)	-	-
Prior year tax (credit) / charge	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current period

	2004 £	2003 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>2,067,003</u>	<u>-</u>
Current tax charge at 30% (2003 : 30%)	620,101	-
<i>Effects of:</i>		
Double taxation relief	(608,236)	-
Loss relief from group companies for no payment	<u>(11,865)</u>	<u>-</u>
Total current tax (see above)	<u>-</u>	<u>-</u>

No tax charge arises on the results for the year due to the availability of tax losses and reliefs.

Cookson Minerals Limited

Notes to the Accounts (continued) For the year ended 31 December 2004

6 Investments

	in subsidiary undertakings £
Cost	
At 1 January 2004	-
Acquired during year	1,322,434
Balance as at 31 December 2004	<u>1,322,434</u>

During 2004, Cookson Minerals Limited acquired 100% of Alpha Metals SpA from Cookson (Europe) SA.

7 Debtors

	2004 £	2003 £
Amounts owed by parent undertaking	<u>8,008,456</u>	<u>417,501</u>

8 Share Capital

	2004 £	2003 £
Authorised:		
10,000,000 ordinary shares of £1 each	10,000,000	-
4,000,000 ordinary shares of 10p each	-	400,000
	<u>10,000,000</u>	<u>400,000</u>
	2004 £	2003 £
Allotted, called up and fully paid:		
9,302,434 ordinary shares of £1 each	9,302,434	-
3,800,000 ordinary shares of 10p each	-	380,000
	<u>9,302,434</u>	<u>380,000</u>

During the year, the company converted the nominal value of its authorised and issued share capital from 10p per share to £1 per share. The 3,800,000 existing ordinary shares of 10p each were converted to 380,000 shares of £1 each and 8,922,434 additional £1 shares were issued after the authorised share capital was increased.

Cookson Minerals Limited

Notes to the Accounts (continued) For the year ended 31 December 2004

9 Profit and Loss

	2004	2003
	£	£
At 1 January	-	-
Retained profit for the year	<u>2,067,003</u>	<u>-</u>
At 31 December	<u>2,067,003</u>	<u>-</u>

10 Reconciliation of movement in equity shareholders' funds

	2004	2003
	£	£
At 1 January	417,501	417,501
Retained profit for the year	2,067,003	-
New share capital	<u>8,922,434</u>	<u>-</u>
At 31 December	<u>11,406,938</u>	<u>417,501</u>

11 Ultimate holding company

The Company's ultimate holding company is Cookson Group plc, which is registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Cookson Group plc. The accounts of Cookson Group plc are available to the public and may be obtained from 265 Strand, London, WC2R 1DB.

No other group accounts include the results of the Company.