

Company Number: 01151578

**MINELCO**

minerals customised for industry

**MINELCO SPECIALITIES LIMITED**

**Report and Financial Statements**

**31 December 2011**

THURSDAY



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COMPANIES HOUSE

# **MINELCO SPECIALITIES LIMITED**

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# **MINELCO SPECIALITIES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2011. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **ACTIVITIES**

On 31 December 2008 the trade of Minelco Specialities Limited was transferred to Minelco Limited and the company acted as an intermediate holding company from that date. During the current year, Minelco Hellas AME, of which Minelco Specialities Limited owned 100% of the share capital, was liquidated and Minelco Specialities Limited ceased trading on that date. As a result these financial statements have been prepared on a basis other than that of a going concern. Further detail is given in note 1 to the financial statements.

### **DIRECTORS**

The directors who served during the year and to the date of this report are as follows:

B M Collyer  
SRW Larbey

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report 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 judgments and accounting estimates that are reasonable and prudent, and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **MINELCO SPECIALITIES LIMITED**

## **DIRECTORS' REPORT (Continued)**

### **AUDITOR**

In the case of each of the persons who are directors of the company at the date when this report was approved

(1) so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and

(2) each of the directors has taken all 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP were appointed as auditor to the company in the year and have expressed their willingness to continue in office as auditor of the company. A resolution for that reappointment will be proposed at the forthcoming Annual General Meeting.

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

S Larbey  
Director

21 SEP 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINELCO SPECIALITIES LIMITED**

We have audited the financial statements of Minelco Specialities Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 annual report to identify material inconsistencies with the audited financial statements. 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 31 December 2011 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINELCO SPECIALITIES LIMITED (Continued)**

### **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 take advantage of the small companies exemption in preparing the directors' report

*Alistair Pritchard FCA*

Alistair Pritchard FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Nottingham, United Kingdom

*21 September 2012*

# **MINELCO SPECIALITIES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
Dividend income		345,013	-
Liquidation of subsidiary	5	(223,414)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	121,599	-
Tax on profit on ordinary activities	3	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	9, 10	121,599	-

All activity arose from discontinued operations

There are no recognised gains or losses other than the profit for the current and prior year; accordingly no statement of total recognised gains and losses has been prepared

# MINELCO SPECIALITIES LIMITED

## BALANCE SHEET

31 December 2011

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Investments	5	-	223,414
<b>CURRENT ASSETS</b>			
Debtors	6	470,568	147,154
Cash at bank and in hand		1	1
<b>NET CURRENT ASSETS</b>		<u>470,569</u>	<u>147,155</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		470,569	370,569
<b>CREDITORS: amounts falling due after more than one year</b>	7	<u>(10,000)</u>	<u>(10,000)</u>
<b>NET ASSETS</b>		<u><u>460,569</u></u>	<u><u>360,569</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	505	505
Capital reserve	9	460,064	460,064
Profit and loss account	9	-	(100,000)
<b>TOTAL SHAREHOLDERS' FUNDS</b>	10	<u><u>460,569</u></u>	<u><u>360,569</u></u>

These financial statements of Minelco Specialities Limited (registered number 01151578) were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors

S LARBEY

Managing Director

21 SEP 2012



# **MINELCO SPECIALITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

#### **Going concern**

The directors believe that the company will be dormant going forward following the liquidation of its only investment, at which point the company ceased to trade. Therefore these financial statements have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

#### **Cashflow statement**

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary.

#### **Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Fixed asset investment**

Investments in subsidiary undertakings are stated at cost less any provision for impairment. Investments are reviewed annually for indication of impairment.

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **Dividends on shares presented within shareholder's funds**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised by the balance sheet date and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

# MINELCO SPECIALITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2011

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company has no employees other than the directors. The directors of the company receive no remuneration for their services to the company. Audit fees of £1,000 (2010: £nil) were borne by another group company.

### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year:	2011 £	2010 £
<b>Current tax</b>		
UK corporation tax at 26.5% (2010: 28%)	-	-
<b>Total current tax (note 3b)</b>	-	-

There are no provided or unprovided deferred tax balances in the current or prior year.

#### b) Factors affecting current corporation tax charge in the year:

The current tax charge for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below:

	2011 £	2010 £
<b>Current year taxation</b>		
Profit on ordinary activities before taxation	121,599	-
Current tax at 26.5% (2010: 28%)	32,224	-
<b>Effects of:</b>		
Income not taxable	(32,224)	-
<b>Total current tax charge (note 3a)</b>	-	-

#### c) Factors that may affect future tax charges

The UK Government announced a reduction in the standard rate of UK corporation tax from 28% to 26% effective 1 April 2011 and to 24% effective 1 April 2012. These rate reductions became substantively enacted in March 2011 and March 2012, respectively. Accordingly, the company's profits for this financial year are taxed at an effective rate of 26.5%.

The 2011 Budget introduced a reduction in the main rate of corporation tax from 26% to 25% effective 1 April 2012. This change was substantively enacted on 19 July 2011 and as such deferred tax at the balance sheet date has been recognised at the 25% rate on the basis that it will materially reverse after 1 April 2012.

An additional reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was enacted within the Finance Act 2012 on 17 July 2012. As this reduction was not substantively enacted by the balance sheet date, its effect has not been reflected in these financial statements.

A further reduction in the main rate of corporation tax of 1% to 22% on 1 April 2014 has been announced by the Government but has not yet been substantively enacted, therefore its effect has not been reflected in these financial statements.

# MINELCO SPECIALITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2011

### 4. DIVIDENDS

	2011 £	2010 £
Paid £2 14 per share (2010 £nil per share)	21,599	-

### 5. INVESTMENT

	Share in group undertakings £
<b>Cost</b>	
At 1 January 2011	1,943,790
Liquidation of subsidiary	(1,943,790)
At 31 December 2011	-
<b>Provision for impairment</b>	
At 1 January 2011	1,720,376
Liquidation of subsidiary	(1,720,376)
At 31 December 2011	-
<b>Net book value</b>	
At 31 December 2011	-
At 31 December 2010	223,414

The company held a 100% investment in Minelco Hellas AME. On 12 December 2011 Minelco Hellas AME was liquidated. Prior to this date the distributable reserves of Minelco Hellas AME were paid to the company as a dividend.

### 6. DEBTORS

	2011 £	2010 £
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	470,568	147,154

### 7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Shares classified as liabilities (see note 8)	10,000	10,000

# MINELCO SPECIALITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2011

### 8. CALLED UP SHARE CAPITAL

Shares classified in shareholders' funds	2011 £	2010 £
Called up, allotted and fully paid 10,100 ordinary share of £0.05	505	505

The company has 10,000 5% non-redeemable preference shares of £1 each. The holder of these shares has waived all dividend rights. Preference shareholders have no voting rights in the event of the company winding up. Under the presentation requirements of FRS 25 'Financial instruments presentation and disclosure' the preference shares have been classified as financial liabilities (see note 7).

### 9. RESERVES

	Capital Reserve £	Profit and loss account £	Total £
At 1 January 2011	460,064	(100,000)	360,064
Profit retained for the year	-	121,599	121,599
Dividend paid	-	(21,599)	(21,599)
At 31 December 2011	460,064	-	460,064

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the year	121,599	-
Dividend paid	(21,599)	-
Net movement in shareholders' funds	100,000	-
Opening shareholders' funds	360,569	360,569
Closing shareholders' funds	460,569	360,569

### 11. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of LKAB, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balance with entities which form part of the group.

### 12. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Minelco Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is LKAB, a company incorporated in Sweden.

The largest group in which the results of the company are consolidated is that headed by LKAB whose consolidated financial statements can be obtained from LKAB, box 952, SE-97128, Lulea, Sweden.