

Company Number: 01151578

MINELCO SPECIALITIES LIMITED

Report and Financial Statements
31 December 2013

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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 2013. This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The small companies exemption from preparing a strategic report has been taken.

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 2011 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. During the year the company received a refund of VAT in relation to Minelco Hellas AME, the refund was paid direct to Minelco Specialities who in turn distributed this as a dividend. These are the only transactions that occurred in the year. The directors do not intend to use the entity as a trading vehicle going forward. 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.

GOING CONCERN

The directors believe that the company will be dormant going forward as it has no trading activity. 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.

DIRECTORS

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

B M Collyer (Resigned 13 December 2013)

SRW Larbey (Resigned 13 March 2014)

D A Wilson (Appointed 29 November 2013)

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.

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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



D A WILSON
Managing Director

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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

Other matter

As the company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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 from preparing a strategic report or 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

30 September 2014

MINELCO SPECIALITIES LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2013**

	Note	2013 £	2012 £ (Unaudited)
Other operating income		<u>21,790</u>	<u>-</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	21,790	-
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	8, 9	<u><u>21,790</u></u>	<u><u>-</u></u>

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 2013

	Note	2013 £	2012 £ (Unaudited)
CURRENT ASSETS			
Debtors	5	470,568	470,568
Cash at bank and in hand		1	1
NET CURRENT ASSETS		<u>470,569</u>	<u>470,569</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		470,569	470,569
CREDITORS: amounts falling due after more than one year	6	(10,000)	(10,000)
NET ASSETS		<u>460,569</u>	<u>460,569</u>
CAPITAL AND RESERVES			
Called up share capital	7	505	505
Capital reserve	8	460,064	460,064
Profit and loss account	8	-	-
TOTAL SHAREHOLDERS' FUNDS	9	<u>460,569</u>	<u>460,569</u>

These financial statements of Minelco Specialities Limited (registered number 01151578) were approved by the Board of Directors and authorised for issue on 26/09/2014

Signed on behalf of the Board of Directors



D A WILSON
Managing Director

MINELCO SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

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 as it has no trading activity. 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 FRS 1 the company is exempt from the requirement to prepare a cash flow statement as the results of the company are consolidated in the consolidated financial statements headed by LKAB, copies of which can be obtained from LKAB, box 952, SE-97128, Lulea, Sweden.

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2013

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 (2012: £nil), and non-audit fees of £2,000 (2012: £nil), were borne by another group company.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year:	2013 £	2012 £ (Unaudited)
Current tax		
UK corporation tax at 23.25% (2012: 24.5%)	-	-
Total current tax (note 3b)	-	-

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 23.25% (2012: 24.5%). The differences are explained below.

	2013 £	2012 £ (Unaudited)
Current year taxation		
Profit on ordinary activities before taxation	21,790	-
Current tax at 23.25% (2012: 24.5%)	5,066	-
Effects of:		
Income not taxable	(5,066)	-
Total current tax charge (note 3a)	-	-

c) Factors that may affect future tax charges

The Finance Act 2012 was enacted on 17 July 2012 and included provisions which reduced the main rate of UK Corporation Tax to 24% from 1 April 2012 and 23% from 1 April 2013. Current tax has therefore been calculated at 23.25%, a blended rate of 24% up to 1 April 2013 and 23% thereafter. The Finance Act 2013 which provided for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2013

4. DIVIDENDS

	2013 £	2012 £ (Unaudited)
Paid £2.16 per share (2012: £nil per share)	<u>21,790</u>	<u>-</u>

5. DEBTORS

	2013 £	2012 £ (Unaudited)
Amounts falling due within one year		
Amounts owed by group undertakings	<u>470,568</u>	<u>470,568</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £ (Unaudited)
Shares classified as liabilities (see note 7)	<u>10,000</u>	<u>10,000</u>

7. CALLED UP SHARE CAPITAL

	2013 £	2012 £ (Unaudited)
Shares classified in shareholders' funds		
Called up, allotted and fully paid 10,100 ordinary share of £0.05	<u>505</u>	<u>505</u>

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 6).

8. RESERVES

	Capital Reserve £	Profit and loss account £	Total £
At 1 January 2013	460,064	-	460,064
Profit retained for the year	-	21,790	21,790
Dividend paid	-	(21,790)	(21,790)
At 31 December 2013	<u>460,064</u>	<u>-</u>	<u>460,064</u>

MINELCO SPECIALITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **Year ended 31 December 2013**

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
		(Unaudited)
Profit for the year	21,790	-
Dividend paid	(21,790)	-
	<hr/>	<hr/>
Net movement in shareholders' funds	-	-
Opening shareholders' funds	460,569	460,569
	<hr/>	<hr/>
Closing shareholders' funds	460,569	460,569
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10. 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.

11. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is LKAB Minerals 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.