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WBB Technology Limited

Report and Financial Statements

Year Ended

31 December 2005



WBB TECHNOLOGY LIMITED

Annual Report and Financial Statements for the year ended 31 December 2005

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Directors

N.A. Harrison
G. Hillebrand
M.C. James
C. Tawney

Secretary and registered office

C.B. Forrest,
Brookside Hall
Congleton Road
Sandbach
Cheshire
CW11 4TF

Company number

1329637

Auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

WBB TECHNOLOGY LIMITED

Report of the Directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Results and dividends

The results of the company for the year are set out on page 5 and show a loss for the year of £6,889 (2004: £107,776). The loss for the year has been transferred to reserves.

Principal activities, review of business and future developments

The company is principally engaged in providing various professional services for clients, mainly in the ceramic and mineral extraction industries.

IFRS adoption

The company has prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") for the first time. The transition to Adopted IFRSs has had no effect on the reported financial position and financial performance of the company.

Directors

The changes in the directors and those directors presently in office are listed below, all served on the board throughout the year unless otherwise indicated.

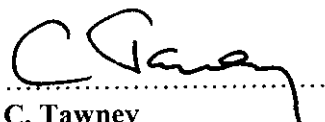
W.D. Brown (resigned 31 May 2006)
N.A. Harrison (appointed 23 May 2006)
G. Hillebrand
M.C. James (appointed 23 May 2006)
C. Tawney

The directors have no beneficial interest in the shares of this company or any group company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board


.....
C. Tawney
Director

19 October 2006

WBB TECHNOLOGY LIMITED

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' 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 IFRSs as adopted by the EU.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the company and the performance for that period; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

*1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom*

Report of the independent auditors' to the members of WBB Technology Limited

We have audited the financial statements of WBB Technology Limited for the year ended 31 December 2005 which comprise the Income Statement, Balance Sheet and the related notes. These financial statements have been prepared under 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 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' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and Article 4 of the IAS Regulation. We also report to you if, in our opinion, the Directors' Report 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 other transactions is not disclosed.

We read the Directors' Report 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

Report of the independent auditors' to the members of WBB Technology Limited
(continued)

Opinion

In our opinion the financial statements:

- | give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2005 and of the company's loss for the year then ended; and
- | have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

19 October 2006

WBB TECHNOLOGY LIMITED**Income statement for the year ended 31 December 2005**

| | Note | 2005 | 2004 |
|--|------|----------------|------------------|
| | | £ | £ |
| Administration costs | | - | (3,630) |
| | | <u>-</u> | <u>(3,630)</u> |
| Operating loss | 2 | - | (3,630) |
| Dividends receivable | 3 | - | 26,592 |
| | | <u>-</u> | <u>26,592</u> |
| Profit on ordinary activities before taxation | | - | 22,962 |
| Taxation | 4 | (6,889) | (130,738) |
| | | <u>(6,889)</u> | <u>(130,738)</u> |
| Loss on ordinary activities after taxation | | <u>(6,889)</u> | <u>(107,776)</u> |
| | | <u>(6,889)</u> | <u>(107,776)</u> |
| Retained loss for the year | 9 | <u>(6,889)</u> | <u>(107,776)</u> |

All amounts relate to discontinued activities.

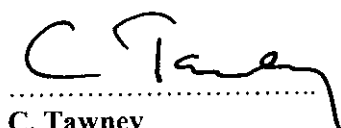
The notes on pages 7 to 10 form part of these financial statements.

WBB TECHNOLOGY LIMITED

Balance Sheet at 31 December 2005

| | Note | 2005 | 2005 | 2004 | 2004 |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | £ | £ | £ | £ |
| Non-current assets | | | | | |
| Investments | 5 | | - | | 5,958 |
| Current assets | | | | | |
| Trade and other receivables | 6 | 439,892 | | 439,892 | |
| Current liabilities | | | | | |
| Trade and other payables | 7 | (5,197,324) | | (5,083,531) | |
| Tax payable | | (6,889) | | (119,751) | |
| | | <u>(5,204,213)</u> | | <u>(5,203,282)</u> | |
| Net current liabilities | | | (4,764,321) | | (4,763,390) |
| Net liabilities | | | <u>(4,764,321)</u> | | <u>(4,757,432)</u> |
| Shareholders' equity | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Profit and loss account | 9 | | (4,764,323) | | (4,757,434) |
| Total equity shareholders' deficit | 10 | | <u>(4,764,321)</u> | | <u>(4,757,432)</u> |

The Financial Statements were approved by the board on 19 October 2006.



C. Tawney
 Director

The notes on pages 7 to 10 form part of these financial statements.

1 Accounting policies

WBB Technology Limited (the "Company") is a company incorporated in the UK.

Basis of preparation

The financial statements have been prepared under the historical cost convention and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2004 for the purposes of the transition to Adopted IFRSs.

Transition to Adopted IFRSs

The company is preparing their financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. The transition to Adopted IFRSs has had no effect on the reported financial position and financial performance of the company.

Cash flow statement

The company did not hold cash or cash equivalents in either the current or preceding year and accordingly no cash flow statement has been prepared.

Going concern

The company's intermediate parent company, Watts Blake Bearne & Co Plc, has confirmed its policy of providing continuing financial support to the company and on the strength of this assurance the financial statements have been prepared on the basis of a going concern. The following principal accounting policies have been applied:

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

WBB TECHNOLOGY LIMITEDNotes forming part of the Financial Statements for the year ended 31 December 2005 (*Continued*)**2 Operating loss**

| | 2005 £ | 2004 £ |
|--|-------------------|-------------------|
| Operating loss on ordinary activities is stated after charging : | | |
| Auditors' remuneration: non-audit services | - | 2,300 |
| | <u> </u> | <u> </u> |

3 Dividends receivable

| | 2005 £ | 2004 £ |
|---|-------------------|-------------------|
| Dividends received from group undertaking | - | 26,592 |
| | <u> </u> | <u> </u> |

4 Taxation

| | 2005 £ | 2004 £ |
|---|-------------------|-------------------|
| <i>Current tax</i> | | |
| Adjustment in respect of previous years | 6,889 | 130,738 |
| | <u> </u> | <u> </u> |
| Total tax in income statement | 6,889 | 130,738 |
| | <u> </u> | <u> </u> |

The tax charge for the period is higher (2004 : higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

| | 2005 £ | 2004 £ |
|---|-------------------|-------------------|
| Profit on ordinary activities before taxation | - | 22,962 |
| | <u> </u> | <u> </u> |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 : 30%) | - | 6,889 |
| Effects of : | | |
| Double tax relief | - | (6,889) |
| Prior year adjustment | 6,889 | 130,738 |
| | <u> </u> | <u> </u> |
| Total tax charge (see above) | 6,889 | 130,738 |
| | <u> </u> | <u> </u> |

WBB TECHNOLOGY LIMITED

Notes forming part of the Financial Statements for the year ended 31 December 2005 (Continued)

5 Non-current asset investments

| | Shares in group undertakings £ |
|--------------------------------|-----------------------------------|
| <i>Cost and net book value</i> | |
| At 1 January 2005 | 5,958 |
| Disposals | (5,958) |
| | <u> </u> |
| At 31 December 2005 | - |
| | <u> </u> |

During the year the company disposed of its 10% interest in WBB Italia Srl to another group company at net book value.

6 Trade and other receivables

| | 2005 £ | 2004 £ |
|------------------------------------|-------------------|-------------------|
| Amounts owed by group undertakings | 439,892 | 439,892 |
| | <u> </u> | <u> </u> |

7 Trade and other payables

| | 2005 £ | 2004 £ |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | 5,197,324 | 5,083,531 |
| | <u> </u> | <u> </u> |

8 Share capital

| | 2005 Number | Authorised 2004 Number | 2005 £ | 2004 £ |
|----------------------------|------------------------------------|------------------------------|-------------------|-------------------|
| Ordinary shares of £1 each | 20,000 | 20,000 | 20,000 | 20,000 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | Allotted, called up and fully paid | | | |
| | 2005 Number | 2004 Number | 2005 £ | 2004 £ |
| Ordinary shares of £1 each | 2 | 2 | 2 | 2 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

WBB TECHNOLOGY LIMITED

Notes forming part of the Financial Statements for the year ended 31 December 2005 *(Continued)*

9 Reserves

| | Profit and loss account £ |
|---------------------|------------------------------------|
| At 1 January 2005 | (4,757,434) |
| Loss for year | (6,889) |
| At 31 December 2005 | <u>(4,764,323)</u> |

10 Reconciliation of movements in shareholders' deficit

| | 2005 £ | 2004 £ |
|--------------------------------------|--------------------|--------------------|
| Loss for the year | (6,889) | (107,776) |
| Shareholders' deficit at 1 January | <u>(4,649,432)</u> | <u>(4,649,656)</u> |
| Shareholders' deficit at 31 December | <u>(4,656,321)</u> | <u>(4,657,432)</u> |

11 Ultimate parent company

The company's immediate parent company and controlling party is WBB Minerals (Holdings) Limited, registered in England and Wales. The smallest group in which they are consolidated is Watts Blake Bearne & Co Plc. Copies of the financial statements of both WBB Minerals (Holdings) Limited and Watts Blake Bearne & Co Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The company's ultimate parent undertaking and controlling related party is SCR Sibelco NV. This company is incorporated in Belgium, with its consolidated financial statements available from Balanscentrale, at Nationale Bank van België, Balanscentrale, de Berlaimontlaan 14, 1000 Brussel.

12 Explanation of transition to adopted IFRSs

As stated in note 1, these are the Company's first financial statements prepared in accordance with Adopted IFRSs.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information presented in these financial statements and in the preparation of an opening IFRS balance sheet at 1 January 2004 (the Company's date of transition).

In preparing its opening IFRS balance sheet, the Company has made no adjustments to the amounts reported previously in the financial statements prepared in accordance with its old basis of accounting (UK GAAP). Consequently, no tables explaining the transition from UK GAAP to Adopted IFRSs are shown.