

Sibelco (UK) Limited

Directors' report and financial statements

31 December 2003

02624570 (England and Wales)



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The company's principal activity continues to be the utilisation of land.

Business review

Income received amounted to £115,687 (2002: £129,974). The company's results show a profit after tax of £20,820 (2002: £14,942).

Results and dividends

The results for the year are set out on page 4.

It is proposed that the retained profit of £20,820 is transferred to reserves.

Directors and directors' interests

The directors who have held office during the year have been as follows:

F Fernandez	
G Emsens	(Resigned 9 December 2003)
A Speeckaert	(Appointed 9 December 2003)
G Hillebrand	(Appointed 12 September 2003)

Auditors

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

On behalf of the board



G Hillebrand
Director

Brookside Hall
Congleton Road
Sandbach
Cheshire
CW11 4TF

Date: 15th September 2004

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB

Report of the independent auditors to the members of Sibelco (UK) Limited

We have audited the financial statements of Sibelco (UK) Limited on pages 4 to 9 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the 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 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 transactions with the company 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 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 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP *KPMG LLP*
Chartered Accountants
Registered Auditor

5 October 2004

Profit and loss account
for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
Income	2	115,687	129,974
Costs of running estate		(72,402)	(94,450)
Gross profit		43,285	35,524
Administrative expenditure		(22,467)	(20,650)
Operating profit	3	20,818	14,874
Other interest receivable and similar income	5	146	192
Interest payable and similar charges	6	(144)	(124)
Profit on ordinary activities before taxation		20,820	14,942
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation	13	20,820	14,942

There were no gains or losses during the current or preceding year other than those passing through the profit and loss account. All of the turnover and results for the year arise from continuing operations for both the current and preceding year.

A note on historical cost gains and losses has not been included as part of the financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified cost basis.

Balance sheet
at 31 December 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	8		1,829,858		1,843,458
Current assets					
Debtors	9	45,875		57,468	
Cash at bank and in hand		53,968		50,572	
		<u>99,843</u>		<u>108,040</u>	
Creditors: amounts falling due within one year	10	<u>(7,900)</u>		<u>(10,516)</u>	
Net current assets			<u>91,943</u>		<u>97,524</u>
Total assets less current liabilities			<u>1,921,801</u>		<u>1,940,982</u>
Creditors: amounts falling due after more than one year	11		<u>(859,999)</u>		<u>(900,000)</u>
			<u>1,061,802</u>		<u>1,040,982</u>
Capital and reserves					
Called up share capital	12		1,100,000		1,100,000
Profit and loss account	13		(38,198)		(59,018)
Shareholders' funds - equity interests	14		<u>1,061,802</u>		<u>1,040,982</u>

These financial statements were approved by the board of directors on 9 August 2004 and were signed on its behalf by:



G Hillebrand
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. The company has taken advantage of the exemptions contained in the Financial Reporting Standards numbers 1 and 8 and has not prepared a cash flow statement or disclosed transactions and balances with related parties.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold land	not depreciated
Freehold building	20 years

Taxation

Taxation is based on results 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, except as otherwise required by FRS 19.

Turnover

All turnover is derived from the utilisation of land and the management and development of the estate. The company received royalties amounting to £96,423 (2002: £95,279) in respect of rights to mine the land which have yet to be exercised.

2 Analysis of turnover and profit on ordinary activities before taxation

	2003	2002
	£	£
<i>By activity</i>		
Royalties received	96,423	95,174
Estate income	19,264	34,695
Other income	-	105
	<hr/> 115,687 <hr/>	<hr/> 129,974 <hr/>

3 Profit on ordinary activities before taxation

	2003	2002
	£	£
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Audit	5,667	4,700
Other services - fees paid to the auditor and its associates	3,200	2,350
Depreciation and other amounts written off tangible fixed assets:		
Owned	13,600	13,600
	<hr/> 13,600 <hr/>	<hr/> 13,600 <hr/>

Notes (continued)

(forming part of the financial statements)

4 Staff numbers and directors remuneration

There were no employees during the year apart from the directors. None of the directors received remuneration during the period.

5 Other interest receivable and similar income

	2003 £	2002 £
Bank interest	<u>146</u>	<u>192</u>

6 Interest payable and similar charges

	2003 £	2002 £
On bank loans and overdrafts	<u>144</u>	<u>124</u>

7 Taxation

	2003 £	2002 £
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>20,820</u>	<u>14,942</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 %	<u>6,246</u>	<u>4,483</u>
Effects of:		
Capital allowances	4,018	3,996
Tax losses utilised	<u>(10,264)</u>	<u>(8,479)</u>
	<u>(6,246)</u>	<u>(4,483)</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated tax losses of £ 8,334 (2002 : £ 39,134) available for carry forward against future trading profits.

Notes (continued)

(forming part of the financial statements)

8 Tangible fixed assets

	Freehold Land £	Freehold Buildings £	Total £
Cost			
At 1 January 2003 & at 31 December 2003	1,672,258	272,000	1,944,258
Depreciation			
At 1 January 2003	-	100,800	100,800
Charge for year	-	13,600	13,600
At 31 December 2003	-	114,400	114,400
Net book value			
At 31 December 2003	<u>1,672,258</u>	<u>157,600</u>	<u>1,829,858</u>
At 31 December 2002	<u>1,672,258</u>	<u>171,200</u>	<u>1,843,458</u>

The rights to minerals are assigned to a third party on a 25 year lease from 1985 with a renewal option.

9 Debtors

	2003 £	2002 £
Trade debtors	21,562	33,675
Prepayments and accrued income	24,313	23,793
	<u>45,875</u>	<u>57,468</u>

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to parent undertakings	-	3,816
Accruals and deferred income	7,900	6,700
	<u>7,900</u>	<u>10,516</u>

Notes (continued)

(forming part of the financial statements)

11 Creditors: amounts falling due after more than one year

	2003	2002
	£	£
Amount due from parent undertaking	<u>859,999</u>	<u>900,000</u>

The amounts owed to the parent undertaking are unsecured and interest free. While the repayment is after one year, no specific repayment dates have been fixed.

12 Share capital

	2003	2002
	£	£
<i>Authorised</i>		
Equity: 1,100,000 of £ 1 each	<u>1,100,000</u>	<u>1,100,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: 1,100,000 of £ 1 each	<u>1,100,000</u>	<u>1,100,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2003	(59,018)
Retained profit for the year	<u>20,820</u>
Balance at 31 December 2003	<u>(38,198)</u>

14 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	20,820	14,942
Opening shareholders' funds	<u>1,040,982</u>	<u>1,026,040</u>
Closing shareholders' funds	<u>1,061,802</u>	<u>1,040,982</u>

15 Ultimate parent company

The company is a subsidiary undertaking of S.C.R. - Sibelco N.V. incorporated in Belgium.

The smallest and largest group in which the results of the company are consolidated is that headed by S.C.R. Sibelco N.V. The consolidated accounts of the group are available to the public and may be obtained from Brookside Hall, Congleton Road, Cheshire, CW11 4TF.