

**Sibelco (UK) Limited**

***Directors' report and financial statements***

31 December 2004

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 2004.

### Principal activities

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

### Business review

Income received amounts to £124,664 (2003: £115,687). The Company's results show a loss after tax of £26,299 (2003: £20,820 profit).

### Results and dividends

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

### Directors and directors' interests

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

F Fernandez Torres	(Resigned 14 May 2004)
A Speeckaert	
G Hillebrand	

There are no directors' interests requiring disclosure under the Companies Act 1985.

### 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: 13 October 2005

## **. 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 11 for the year ended 31 December 2004. 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.

#### 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 2004 and of its loss 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

25th October 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Notes</i>	2004 £	2003 £
<b>Turnover</b>	2	124,664	115,687
Cost of sales		(80,522)	(72,402)
<b>Gross profit</b>		44,142	43,285
Administrative expenses		(25,393)	(22,467)
<b>Operating profit</b>	3	18,749	20,818
Interest receivable and similar income	5	634	146
Interest payable and similar charges	6	(44,576)	(144)
<b>(Loss)/profit on ordinary activities before taxation</b>		(25,193)	20,820
Tax on (loss)/profit on ordinary activities	7	(1,106)	-
<b>(Loss)/profit on ordinary activities after taxation</b>	13	(26,299)	20,820

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**Balance sheet**  
*at 31 December 2004*

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	8		1,816,258		1,829,858
<b>Current assets</b>					
Debtors	9	40,602		45,875	
Cash at bank and in hand		61,784		53,968	
		<u>102,386</u>		<u>99,843</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(23,142)</u>		<u>(7,900)</u>	
<b>Net current assets</b>			<u>79,244</u>		<u>91,943</u>
<b>Total assets less current liabilities</b>			<u>1,895,502</u>		<u>1,921,801</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(859,999)</u>		<u>(859,999)</u>
			<u>1,035,503</u>		<u>1,061,802</u>
<b>Capital and reserves</b>					
Called up share capital	12	1,100,000		1,100,000	
Profit and loss account	13	(64,497)		(38,198)	
<b>Shareholders' funds - equity interests</b>	14		<u>1,035,503</u>		<u>1,061,802</u>

These financial statements were approved by the board of directors on 13052005 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*

Deferred tax is recognised without discounting, in respect of all 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 and results before taxation are derived from the utilisation of land and the management and development of the estate.

### 2 Analysis of turnover

	2004 £	2003 £
Royalties received	97,254	96,423
Estate income	27,410	19,264
	<u>124,664</u>	<u>115,687</u>

The company received royalties in respect of rights to mine the land which have yet to be exercised.



**Notes (continued)**

*(forming part of the financial statements)*

**3 (Loss)/profit on ordinary activities before taxation**

	2004	2003
	£	£
<i>(Loss)/profit on ordinary activities before taxation is stated after charging</i>		

Audit	5,388	5,667
Other services - fees paid to the auditor and its associates	6,407	3,200
Depreciation and other amounts written off tangible fixed assets:		
Owned	<u>13,600</u>	<u>13,600</u>

**4 Staff numbers and directors remuneration**

The average number of persons employed by the company during the year, analysed by category, was as follows:

**Number of employees**

2004	2003
<u>1</u>	<u>1</u>

**5 Interest receivable and similar income**

	2004	2003
	£	£
Bank interest	<u>634</u>	<u>146</u>

**6 Interest payable and similar charges**

	2004	2003
	£	£
On amounts payable to group undertakings	44,447	-
On bank loans and overdrafts	<u>129</u>	<u>144</u>
	<u>44,576</u>	<u>144</u>

## Notes (continued)

(forming part of the financial statements)

7 Taxation	2004	2003
	£	£
<b>Domestic current year tax</b>		
Adjustment for prior years	1,106	-
	<u>1,106</u>	<u>-</u>
<b>Current tax charge</b>	<u>1,106</u>	<u>-</u>
 <b>Factors affecting the tax charge for the year</b>		
(Loss)/profit on ordinary activities before taxation	(25,193)	20,820
	<u>(25,193)</u>	<u>20,820</u>
 (Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00%	(7,558)	6,246
	<u>(7,558)</u>	<u>6,246</u>
Effects of:		
Capital allowances	4,033	4,018
Tax losses utilised	-	(10,264)
Adjustments to previous periods	1,106	-
Current year losses	3,525	-
	<u>8,664</u>	<u>(6,246)</u>
<b>Current tax charge</b>	<u>1,106</u>	<u>-</u>

The company has estimated tax losses of £16,673 (2003: £4,922) available for carry forward against future trading profits.

The company has a potential deferred tax asset of £38,057 (2003: £45,616) which has not been recognised in these financial statements.

## Notes (continued)

(forming part of the financial statements)

### 8 Tangible fixed assets

	Freehold Land £	Freehold Buildings £	Total £
<b>Cost</b>			
At 1 January 2004 & at 31 December 2004	1,672,258	272,000	1,944,258
<b>Depreciation</b>			
At 1 January 2003	-	114,400	114,400
Charge for year	-	13,600	13,600
At 31 December 2004	-	128,000	128,000
<b>Net book value</b>			
At 31 December 2004	1,672,258	144,000	1,816,258
At 31 December 2003	1,672,258	157,600	1,829,858

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

### 9 Debtors

	2004 £	2003 £
Trade debtors	16,289	21,562
Prepayments and accrued income	24,313	24,313
	<u>40,602</u>	<u>45,875</u>

### 10 Creditors: amounts falling due within one year

	2004 £	2003 £
Amount due to parent undertaking	11,892	-
Accruals and deferred income	11,250	7,900
	<u>23,142</u>	<u>7,900</u>

**Notes (continued)**

*(forming part of the financial statements)*

**11 Creditors: amounts falling due after more than one year**

	2004	2003
	£	£
Amount due to parent undertaking	<u>859,999</u>	<u>859,999</u>

The amounts owed to the parent undertaking are unsecured. While the repayment is after one year, no specific repayment dates have been fixed. The parent company has confirmed that it will not seek repayment of this loan for 12 months from the balance sheet date.

**12 Share capital**

	2004	2003
	£	£
<i>Authorised</i>		
Equity: 1,100,000 Ordinary shares 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 Ordinary shares 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 2004	(38,198)
Retained loss for the year	<u>(26,299)</u>
Balance at 31 December 2004	<u>(64,497)</u>

**14 Reconciliation of movements in shareholders' funds**

	2004	2003
	£	£
(Loss)/Profit for the financial year	(26,299)	20,820
Opening shareholders' funds	<u>1,061,802</u>	<u>1,040,982</u>
Closing shareholders' funds	<u>1,035,503</u>	<u>1,061,802</u>

• **Notes (continued)**

*(forming part of the financial statements)*

**15 Ultimate parent company**

The ultimate controlling party is S.C.R. - Sibelco N.V. incorporated in Belgium of which Sibelco (UK) Limited is a subsidiary.

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