

Ellastone Investments Limited

**Directors' report and financial
statements**

Registered number 04841831

Year ended 31 December 2020

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2020.

Business review and principal activity

Ellastone Investments Limited operates as a holding company within the UK arm of the SCR Sibelco NV group. The Company has been dormant throughout the year (2019: *nil*).

Principal risks and uncertainties

The Company is non-trading and does not have any external liabilities. Its non-trading subsidiary, Viaton Industries Limited had its trade and certain assets transferred to Sibelco UK Ltd, the company's immediate parent undertaking at their book value. As such, the directors believe that the Company is not exposed to any significant risks or uncertainties.

Dividend

During the year the Company has not paid a dividend (2019: *£nil*).

Capital management

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt. Detailed cash flow forecasts are prepared at a Group level on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the company's capital effectively. The group cash pooling arrangements allow for surplus capital to be fully utilised and shortfalls in capital to be met.

Going concern

The Directors have considered the net current liability position of £613,045 (2019: £613,045) and have continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Ellastone Investments Limited, i.e. SCR Sibelco NV, has provided a letter of support covering the period up to 31st December 2022. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The following is a list of all persons who were directors of the Company at any time between 1 January 2020 and the date of this report:

MC James
S Tatton

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (continued)

Small companies exemption

The Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

By order of the board

S Tatton
Director



Date: 17/12/2021

Brookside Hall
Congleton Road
Sandbach
Chester
CW11 4TF

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 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 group and the company and of the income statement of the group for that period:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 have 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLASTONE INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Ellastone Investments Limited (the 'company') for the year ended 31 December 2020 which comprise of the Statement of Financial Position and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as 31 December 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLASTONE INVESTMENTS LIMITED (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELLASTONE INVESTMENTS LIMITED (continued)

ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

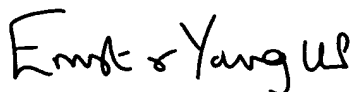
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom in addition the Company has to comply with laws and regulations relating to its operations and health and safety.
- We understood how Ellastone Investments Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override as a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of documentation, testing of specific journals identified based upon our defined risk criteria and enquiries of management for correspondence with relevant authorities. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of 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.



Julian Yates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

20 December 2021

Statement of financial position
at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Investments	4	2,467,688	2,467,688
Current assets			
Debtors	5	-	-
		<hr/>	<hr/>
		-	-
Creditors: amounts falling due within one year	6	(613,045)	(613,045)
		<hr/>	<hr/>
Net current liabilities		(613,045)	(613,045)
		<hr/>	<hr/>
Net assets		1,854,643	1,854,643
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7,8	1,072	1,072
Share premium account	8	1,086,122	1,086,122
Capital redemption reserve	8	617,452	617,452
Profit and loss account	8	149,997	149,997
		<hr/>	<hr/>
Equity shareholders' funds		1,854,643	1,854,643
		<hr/>	<hr/>

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



S Tatton
Director

Date: 17/12/2021

The notes on pages 8 to 12 form part of these financial statements

Notes *(forming part of the financial statements)*

1 Accounting policies

Statement of Compliance

Ellastone Investments Limited (the "Company") is a company incorporated and domiciled in England and Wales, registration number 04841831. The registered office is Brookside Hall, Congleton Road, Sandbach, Cheshire, CW11 4TF.

The Company's financial statements and disclosures have been prepared in compliance with FRS 102.

Basis of preparation

The financial statements have been prepared under the historical cost convention and approved by the directors in accordance with applicable United Kingdom accounting standards.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The Directors have considered the net current liability position of £613,045 (2019: £613,045) and have continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Ellastone Investments Limited, i.e. SCR Sibelco NV, has provided a letter of support covering the period up to 31st December 2022. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Cash flow statement

The Company, being a subsidiary undertaking where 90% of more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Consolidated financial statements

The Company is exempt by virtue of section 400 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.

Related party transactions

All related party transactions and relationships have been disclosed, with Ellastone Investments Limited choosing not to utilise the exemption of FRS 102 Section 33.1A.

Investments

Investments are stated at cost less any adjustments for impairment.

Notes (continued)

1 Accounting policies (continued)

Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the statement of financial position date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the statement of financial position date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the statement of financial position date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Cash at bank

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. A central component of the company's treasury policy is that cash balances and bank overdrafts are held with a fellow group undertaking, to maximise financial benefits to the company and its ultimate parent undertaking. All cash balances, overdrafts, loans and borrowings between the companies in the SCR-Sibelco NV group are organised on an arm's length basis, being interest bearing at relevant market rates.

Financial instruments

Financial instruments comprise investments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. These are recognised on an accrual basis.

Investments

Subsidiary investments are stated at cost less provisions for any permanent diminution in value.

Equity accounted investments are recognised initially at the fair value of the consideration. Subsequent to initial recognition, the Company recognises its share of the changes in the net assets of the entity.

Trade and other receivables

Trade and other receivables, including loan receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. A central component of the Company's treasury policy is that cash balances and bank overdrafts are held with a fellow group undertaking, to maximise financial benefits to the Company and its ultimate parent undertaking. All cash balances, overdrafts, loans and borrowings between the group and other companies in the SCR-Sibelco NV group are organised on an arm's length basis, being interest bearing at relevant market rates.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2 Staff Costs

The Company had no employees in the current or prior year. The Directors are Directors of other group companies. Their services to this Company are inconsequential hence no remuneration is attributable to this Company.

3 Auditor's remuneration

No expense is recognised in the income statement for the audit of these financial statements or other services. These costs are borne by other group undertakings (2019: £nil).

Notes (continued)

4 Investments

	Shares in subsidiary undertakings £
Shares	
Cost	
At 31 December 2019 and 31 December 2020	2,467,688

The company has the following investments in subsidiaries:

Company	Country of incorporation or registration
Viaton Industries Limited	England

The Company's holds 100% of the issued ordinary share capital of its subsidiary.

In the opinion of the directors, the aggregate value of the investment in the Company's subsidiary is not less than the aggregate of the amount at which those assets are stated in the Statement of financial position.

5 Debtors

	2020 £	2019 £
Amounts owed by Sibelco UK Limited (parent company)	-	-

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to Viaton Industries Limited (subsidiary)	613,045	613,045

Notes (continued)

7 Share capital

	2020 £	2019 £
10,722 Ordinary shares of £0.10 each: Authorised, allotted, called up and fully paid	<u>1,072</u>	<u>1,072</u>

8 Reconciliation of movement in equity shareholders' funds

	Share capital £	Share premium account £	Capital Redemption Reserve £	Profit and loss account £	Total £
At 1 January 2019	1,072	1,086,122	617,452	149,997	1,854,643
Loss for the year	-	-	-	-	-
At 31 December 2019 and 1 January 2020	1,072	1,086,122	617,452	149,997	1,854,643
Loss for the year	-	-	-	-	-
At 31 December 2020	<u>1,072</u>	<u>1,086,122</u>	<u>617,452</u>	<u>149,997</u>	<u>1,854,643</u>

9 Ultimate parent company and parent company of larger group

The company's immediate parent company and controlling party is Sibelco UK Limited, registered in England and Wales. Copies of the Sibelco UK Limited's financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The smallest and largest group in which the results of the company are consolidated is that of the ultimate parent undertaking and controlling related party, 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.