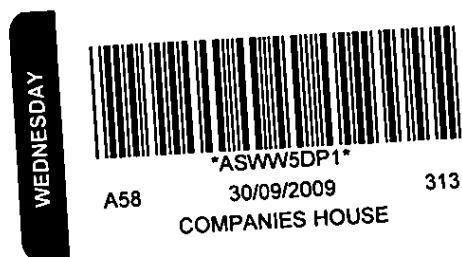


EBOR GROUP HOLDINGS LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008



EBOR GROUP HOLDINGS LTD

COMPANY INFORMATION

Directors

S Boocock
J Whiteley
R Wivell
D Beckett
S J Boocock

Secretary

J Whiteley

Company number

03877687

Registered office

Trans Pennine Way Trading Estate
Gorrels Way
Rochdale
Lancashire
OL11 2PX

Auditors

PKF (UK) LLP
Sovereign House
Queen Street
Manchester
M2 5HR

EBOR GROUP HOLDINGS LTD

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EBOR GROUP HOLDINGS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities

Since February 2000 the company has primarily acted as a holding company for its subsidiary Ebor Equipment Limited and has not actively traded. The principle activity of Ebor Equipment Limited and its subsidiary companies is as a supplier of tools, machines and equipment to the glass and natural stone industries. The Group is also the sole distributor of Caesar Stone products in the UK.

Business review

On 12 June 2002, Ebor Equipment Limited a wholly owned subsidiary of Ebor Group Holdings Limited, brought legal proceedings against Intermac Spa and Biesse Spa, seeking in view of Intermac's failure to fulfil the distribution contracts between the parties, an order to pay compensation for damages suffered by Ebor an amount of not less than six million Euro's plus costs together with a declaration that Intermac had committed acts of unlawful competition against Ebor. These legal proceedings are ongoing at the time of signing these accounts.

Results

The profit for the year, after taxation, amounted to £18,741 (2007 - £NIL).

Directors

The directors who served during the year were:

S Boocock
J Whiteley
R Wivell
D Beckett
S J Boocock

Future developments

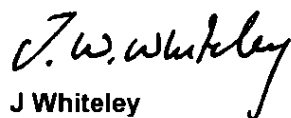
On the same date as these financial statements were approved the shareholders have entered into an agreement to sell the entire issued share capital of the company to C.R. Laurence Co., Inc. The acquisition will provide access to additional working capital to develop and exploit market opportunities in the United Kingdom and Europe.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 2 March 2009 and signed on its behalf.



J Whiteley
Secretary

EBOR GROUP HOLDINGS LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2008

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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit 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 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 proper accounting records that 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 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.

EBOR GROUP HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBOR GROUP HOLDINGS LTD

We have audited the financial statements of Ebor Group Holdings Ltd for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The 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 auditors' 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 annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

EBOR GROUP HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBOR GROUP HOLDINGS LTD

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PKF (UK) LLP

Registered auditors

Manchester, UK

2 March 2009

EBOR GROUP HOLDINGS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Administrative expenses		(2,525)	(2,500)
Other operating income	2	-	14,125
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT	3	(2,525)	11,625
Interest receivable		27,000	-
Interest payable	6	(827)	(11,625)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23,648	-
Tax on profit on ordinary activities	7	(4,907)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	18,741	-
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

EBOR GROUP HOLDINGS LTD

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

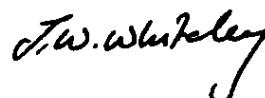
	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Fixed asset investments	8		2,511,014		2,510,914
CREDITORS: amounts falling due within one year	9		(1,569,102)		(1,377,743)
TOTAL ASSETS LESS CURRENT LIABILITIES			941,912		1,133,171
CREDITORS: amounts falling due after more than one year	10		(500,000)		(710,000)
NET ASSETS			441,912		423,171
CAPITAL AND RESERVES					
Called up share capital	11		450,000		450,000
Capital reserve	12		600,000		600,000
Profit and loss account	12		(608,088)		(626,829)
SHAREHOLDERS' FUNDS	13		441,912		423,171

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 March 2009.

S Boocock
Director



J Whiteley
Director



The notes on pages 8 to 14 form part of these financial statements.

EBOR GROUP HOLDINGS LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Net cash flow from operating activities	14	170,100	110,000
Acquisitions and disposals	15	(100)	-
CASH INFLOW BEFORE FINANCING		170,000	110,000
Financing	15	(140,000)	(140,000)
INCREASE/(DECREASE) IN CASH IN THE YEAR		30,000	(30,000)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
Increase/(Decrease) in cash in the year	30,000	(30,000)
Cash outflow from decrease in debt and lease financing	140,000	140,000
	-	-
MOVEMENT IN NET DEBT IN THE YEAR	170,000	110,000
Net debt at 1 January 2008	(880,000)	(990,000)
NET DEBT AT 31 DECEMBER 2008	(710,000)	(880,000)

The notes on pages 8 to 14 form part of these financial statements.

EBOR GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2. OTHER OPERATING INCOME

	2008 £	2007 £
Other operating income	-	14,125

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2008 £	2007 £
Auditors' remuneration	2,500	2,500

4. STAFF COSTS

The company has no employees other than the directors.

5. DIRECTORS' REMUNERATION

	2008 £	2007 £
Directors Remuneration	416,362	354,296
Company pension contributions to money purchase pension schemes	44,748	44,234

Directors' remuneration has been charged in subsidiary company Ebor Equipment Limited.

6. INTEREST PAYABLE

	2008 £	2007 £
On bank loans and overdrafts	827	11,625

EBOR GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

7. TAXATION

	2008 £	2007 £
UK corporation tax charge on profit for the year	<u>4,907</u>	<u>-</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20.75% (2007 - 30%).

8. FIXED ASSET INVESTMENTS

	Shares in group under- takings £
Cost or valuation	
At 1 January 2008	2,510,914
Additions	<u>100</u>
At 31 December 2008	<u>2,511,014</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Ebor Equipment Limited
Ebor Machinery Limited
Quartz Stone UK Limited
Quartz Stone Limited
Vitrobor Limited
CR Laurence Limited

The aggregate of the share capital and reserves as at 31 December 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Ebor Equipment Limited	934,798	312,691
Ebor Machinery Limited	88,286	7,301
Quartz Stone UK Limited	100	-
Quartz Stone Limited	100	-
Vitrobor Limited	2	-
CR Laurence Limited	<u>100</u>	<u>-</u>

Ebor Group Holdings Limited owns 100% of the share capital of each of the companies noted above except for Ebor Machinery Limited, Quartz Stone Limited and Vitrobor Limited which are owned 100% by Ebor Equipment Limited. 100% of the share capital of CR Laurence Limited, a dormant company, was purchased in December 2008.

EBOR GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

9. CREDITORS:

Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	110,000	150,000
Unsecured loan notes	100,000	20,000
Amounts owed to group undertakings	1,354,195	1,167,468
Corporation tax	4,907	-
Accruals and deferred income	-	40,275
	<u>1,569,102</u>	<u>1,377,743</u>

The bank loans and overdrafts disclosed above are secured by a fixed and floating charge on the company's assets and undertakings. The bank loan is repayable at £30,000 per quarter until the end of 2009. No interest is charged on the loan.

Unsecured loan notes of £20,000 were repaid to Mr Hodgen, formally a director of Ebor Group Holdings Limited, during the year.

The unsecured loan notes of **£100,000** (2007: £100,000) are repayable to Mr S Boocock, a director of Ebor Group Holdings Limited. Interest has been charged at 9% per annum but this entitlement has been waived by Mr S Boocock post year end (see Note 19).

10. CREDITORS:

Amounts falling due after more than one year

	2008 £	2007 £
Bank loans	-	110,000
Unsecured loan notes	-	100,000
Share capital treated as debt (Note 11)	500,000	500,000
	<u>500,000</u>	<u>710,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 11.

The unsecured loan notes of **£100,000** (2007: £100,000) are repayable to Mr S Boocock, a director of Ebor Group Holdings Limited. Interest has been charged at 9% per annum but this entitlement has been waived by Mr S Boocock post year end (see Note 19).

EBOR GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11. SHARE CAPITAL

	2008 £	2007 £
Shares classified as capital		
Authorised		
686,018 Ordinary shares of £1 each	<u>686,018</u>	<u>686,018</u>
Allotted, called up and fully paid		
450,000 Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>
Shares classified as debt		
Authorised		
500,000 Redeemable preference shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
500,000 Redeemable preference shares of £1 each	<u>500,000</u>	<u>500,000</u>

The preference shares are redeemable at par by 31 December 2010, or earlier on a sale or listing of the company.

The preference shares have no rights to dividends until 31 December 2010, take priority over the ordinary shareholders in respect of payment of the nominal value of their shares on winding up and have no voting rights on a poll, with the exception of those circumstances as noted in the Articles of Association. If the preference shares are not redeemed at 31 December 2010, a dividend of 10p per share is payable each year to 31 December 2014 and a dividend of 15p per share thereafter.

12. RESERVES

	Capital reserve £	Profit and loss account £
At 1 January 2008	600,000	(626,829)
Profit for the year	-	18,741
At 31 December 2008	<u>600,000</u>	<u>(608,088)</u>

The capital reserve represents the premium paid on the issue of preference shares in 2005. These preference shares are classified as debt (see note 11). The premium of £600,000 is recognised as a non distributable reserve as on redemption of the preference shares, companies legislation requires the creation of a capital redemption reserve (which will include this amount). In prior years this has been incorrectly disclosed as share premium and has therefore been restated by prior year adjustment.

EBOR GROUP HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	423,171	423,171
Profit for the year	18,741	-
	<u>441,912</u>	<u>423,171</u>
Closing shareholders' funds	<u>441,912</u>	<u>423,171</u>

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating (loss)/profit	(2,525)	11,625
Increase in creditors	172,625	98,375
	<u>170,100</u>	<u>110,000</u>
Net cash inflow from operations	<u>170,100</u>	<u>110,000</u>

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2008 £	2007 £
Acquisitions and disposals		
Purchase of fixed asset investments	(100)	-
	<u>(100)</u>	<u>-</u>
	2008 £	2007 £
Financing		
Repayment of loans	(120,000)	(120,000)
Repayment of unsecured loan notes	(20,000)	(20,000)
	<u>(140,000)</u>	<u>(140,000)</u>
Net cash outflow from financing	<u>(140,000)</u>	<u>(140,000)</u>

EBOR GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

16. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Bank overdraft	(30,000)	30,000	-	-
	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Debt:				
Debts due within one year	(140,000)	140,000	(210,000)	(210,000)
Debts falling due after more than one year	(710,000)	-	210,000	(500,000)
	<u>(880,000)</u>	<u>170,000</u>	<u>-</u>	<u>(710,000)</u>
Net debt	<u>(880,000)</u>	<u>170,000</u>	<u>-</u>	<u>(710,000)</u>

17. MAJOR NON-CASH TRANSACTIONS

Other non cash changes relate to the movements in the bank loans.

18. CONTINGENT LIABILITIES

There is an unlimited cross guarantee given by Ebor Group Holdings to cover the bank borrowings of Ebor Equipment Limited and Ebor Machinery Limited. At 31 December 2008 this liability amounted to **£799,387** (2007: £825,240).

The company has secured the borrowings of Ebor Equipment Limited with GMAC Commercial Finance Plc by way of a composite guarantee and debenture over the fixed and floating charges over the assets of the company.

19. TRANSACTIONS WITH DIRECTORS

Directors of the company hold unsecured loan notes with the company which are included within creditors due within more than one year. The interest due on these loan notes is at a rate of 9% per annum. The balance due to the directors in respect of the unsecured loan notes is **£100,000** (2007: £100,000) to Mr S J Boocock. The associated interest due is **£nil** (2007: £40,275) as the amount due was waived by Mr S Boocock on 19 February 2009.

20. DIRECTORS' PERSONAL GUARANTEES

The directors have guaranteed the following borrowings in respect of the company as at 31 December 2008.

On all moneys joint and several guarantee from J Whiteley, S Boocock & D Beckett for a principal amount of £65,000 plus interest and other costs as detailed in the guarantee and in respect of debts and liabilities to the Bank.

On all moneys guarantee from S Boocock for a principal amount of £200,000 plus interest and other costs as detailed in the guarantee and in respect of the debts and liabilities to the Bank.

EBOR GROUP HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

21. RELATED PARTY TRANSACTIONS

The company was under the control of Mr S Boocock, Mr J Whiteley, Mr D Beckett and Mr S J Boocock, directors and shareholders of the company throughout the current period, who owned 100% of the ordinary share capital of the company.

At 31 December 2008, the company owed Ebor Equipment Limited **£999,417** (2007: £812,691) and Ebor Machinery Limited **£354,778** (2007: £354,778).

On 9 December 2008 the company acquired 100% other ordinary share capital of CR Laurence Limited. Of this share capital, 50% was acquired from Mr S Boocock, a director and shareholder of the company.

22. CONTROLLING PARTY

The company was under the control of Mr S Boocock, Mr J Whiteley, Mr D Beckett and Mr S J Boocock, directors and shareholders of the company throughout the current period, who owned 100% of the ordinary share capital of the company.

On the same date as these financial statements were approved the entire issued share capital of the company will be sold to C R Laurence Co. Inc, a company incorporated in the USA. This company will be the ultimate parent undertaking.

23. POST BALANCE SHEET EVENTS

As noted above, the company will be sold on the same date as these financial statements are approved. As part of the sale agreement, the acquirer will make funds available to the company and its subsidiaries such that all amounts due to the principal bankers will be repaid on completion of the sale.