

**Sibelco Minerals and Chemicals (Holdings)
Limited**

**Directors' report and financial
statements**

Registered number 495403

Year ended 31 December 2011

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Business review and principal activity

Sibelco Minerals and Chemicals (Holdings) Limited operates as a holding company for the mineral companies within the UK SCR Sibelco NV group

Dividend

During the year the Company paid a dividend of £1,000,000 to the company's immediate parent company and controlling party, Watts Blake Bearne & Co Ltd (2010 £2,830,000)

Capital management

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt, but had an intercompany cash pooling surplus. 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.

Directors

The following is a list of all persons who were directors of the Company at any time between 1 January 2011 and the date of this report

TC Cutbush
MC James

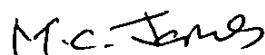
Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG 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.

By order of the board



MC James
Director

Brookside Hall
Congleton Road
Sandbach
Cheshire
CW11 4TF

6 August 2012

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 company and of the profit or loss 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,
- 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 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.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Sibelco Minerals and Chemicals (Holdings) Limited

We have audited the financial statements of Sibelco Minerals and Chemicals (Holdings) Limited for the year ended 31 December 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

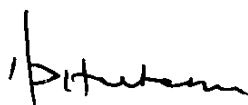
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Sibelco Minerals and Chemicals (Holdings) Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



D J Hutchinson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Leeds
LS1 4DW
Leeds

6 August 2012

Income statement
for the year ended 31 December 2011

	<i>Note</i>	2011 £	2010 £
Financial income		74,498	12,387
Dividend from subsidiary undertaking		-	18,414,379
Profit before tax		74,498	18,426,766
Taxation	<i>4</i>	(19,735)	(3,468)
Profit for the year	<i>9</i>	54,763	18,423,298

The above results derive from continuing operations

The notes on pages 9 to 13 form part of these financial statements

Statement of comprehensive income
for the year ended 31 December 2011

	2011 £	2010 £
Profit for the year	54,763	18,423,298
Total comprehensive income for the period	54,763	18,423,298
Total comprehensive income is attributable to		
Equity shareholders	54,763	18,423,298

Statement of changes in equity
for the year ended 31 December 2011

	Share capital £	Share premium account £	Capital Reserve £	Profit and loss account £	Total £
At 1 January 2010	1,200,002	11,218,274	493,460	13,433	12,925,169
Profit for the year	-	-	-	18,423,298	18,423,298
Dividend paid	-	-	-	(2,830,000)	(2,830,000)
At 31 December 2010 and 1 January 2011	1,200,002	11,218,274	493,460	15,606,731	28,518,467
Profit for the year	-	-	-	54,763	54,763
Dividends paid	-	-	-	(1,000,000)	(1,000,000)
At 31 December 2011	1,200,002	11,218,274	493,460	14,661,494	27,573,230

The notes on pages 9 to 13 form part of these financial statements

Balance sheet
at 31 December 2011

	<i>Note</i>	2011 £	2010 £
Non-current assets			
Investments	5	4,735,604	4,735,604
Current assets			
Cash and cash equivalents	6	22,857,361	23,791,166
Total assets		27,592,965	28,526,770
Current liabilities			
Trade and other payables	7	(19,735)	(8,303)
Total liabilities		(19,735)	(8,303)
Net current assets		22,837,626	23,782,863
Net assets		27,573,230	28,518,467
Equity			
Called up share capital	8	1,200,002	1,200,002
Share premium account	9	11,218,274	11,218,274
Capital reserve	9	493,460	493,460
Profit and loss account	9	14,661,494	15,606,731
Total equity		27,573,230	28,518,467

These financial statements were approved by the board of directors on 6 August 2012 and were signed on its behalf by

MC James

MC James
Director

The notes on pages 9 to 13 form part of these financial statements

Cash flow statement
for the year ended 31 December 2011

	<i>Note</i>	2011		2010	
		£	£	£	£
Cash flow from operating activities					
Profit before tax		74,498		18,426,766	
<i>Adjustments for</i>					
Financial income		(74,498)		(12,387)	
Dividend received from subsidiary undertaking		-		(18,414,379)	
		-		-	
Increase in payables		-		3,468	
Cash flow generated from operations		-		3,468	
Tax paid		(8,303)		(3,468)	
Net cash flow from operating activities			(8,303)		-
Cash flow from financing activities					
Interest received		74,498		12,387	
Proceeds from sale of investments		-		2	
Dividend paid to Company's shareholder		(1,000,000)		(2,830,000)	
Dividend received from subsidiary undertaking		-		18,414,379	
Net cash flow from financing activities			(925,502)		15,596,768
Net (decrease) / increase in cash and cash equivalents in the year			(933,805)		15,596,768
Cash and cash equivalents at 1 January		23,791,166		8,194,398	
Cash and cash equivalents at 31 December	6	22,857,361		23,791,166	

The notes on pages 9 to 13 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Sibelco Minerals and Chemicals (Holdings) 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

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.

Investments

Investments in subsidiary and associated companies are stated at cost less provisions for any permanent diminution in value.

Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities with group companies are initially recognised at fair value which is equal to cost at inception.

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.

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 companies in the SCR-Sibelco NV group are organised on an arm's length basis, being interest bearing at relevant market rates.

Notes (continued)

1 Accounting policies (continued)

Adopted IFRS not yet applied

The IASB and IFRIC have issued a number of new and revised standards and interpretations with an effective date after the date of these financial statements. Their adoption is not expected to have a material effect on the financial statements of the Company.

2 Directors and employees

The Company had no employees in the current or prior year.

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 (2010: £nil).

4 Taxation

	2011 £	2010 £
<i>Recognised in the income statement</i>		
Current tax expense on income for the year	19,735	3,468
Current tax expense	19,735	3,468
Total tax in income statement	19,735	3,468
	2011 £	2010 £
<i>Reconciliation of effective tax rate</i>		
Profit before tax	74,498	18,426,766
Tax using UK corporation tax rate of 26.49% (2010: 28%)	19,735	5,159,494
Dividend received from subsidiary undertaking	-	(5,156,026)
Total tax in income statement	19,735	3,468

The company has a brought forward capital loss of £286,427 available to carry forward against future capital profits (2010: £286,427). No deferred tax asset has been recognised on the grounds that recovery is uncertain (2010: £nil).

Notes (continued)

5 Investments

	Shares in subsidiary undertakings £
<i>Shares</i>	
<i>Cost</i>	
At 1 January and 31 December 2011 and 2010	4,867,000
<i>Provisions</i>	
At 1 January and 31 December 2011 and 2010	131,396
<i>Net book value</i>	
At 1 January and 31 December 2011 and 2010	4,735,604

The company has the following investments in subsidiaries

Company	Country of incorporation or registration
Sibelco UK Limited	England
*Prestige Sports Surfaces Limited	England
*Fordath Limited	England
*Ilamian Limited	England

Each company is wholly owned (except Prestige Sports Surfaces Limited which is 50% owned) and operates in its country of incorporation or registration. Those companies which are not direct subsidiaries of Sibelco Minerals and Chemicals (Holdings) Limited are denoted*

In the opinion of the directors, the aggregate value of the investment in the Company's subsidiaries is not less than the aggregate of the amount at which those assets are stated in the balance sheet

6 Cash and cash equivalents

	2011 £	2010 £
Cash and cash equivalents held with fellow group undertakings	22,857,361	23,791,166

Notes (continued)

7 Trade and other payables

	2011 £	2010 £
<i>Amounts payable within one year</i>		
Tax group relief owed to fellow group undertakings	19,735	8,303

8 Share capital

	2011 £	2010 £
1,200,002 Ordinary shares of £1 each Allotted, called up and fully paid	1,200,002	1,200,002

9 Reserves

	Share premium account £	Capital reserve £	Profit and loss account £
At 1 January 2010	11,218,274	493,460	13,433
Dividend paid to parent undertaking	-	-	(2,830,000)
Profit for the year	-	-	18,423,298
At 31 December 2010 and 1 January 2011	11,218,274	493,460	15,606,731
Dividend paid to parent undertaking	-	-	(1,000,000)
Profit for the year	-	-	54,763
At 31 December 2011	11,218,274	493,460	14,661,494

10 Related party transactions

The following transactions were carried out with fellow group and subsidiary undertakings

	2011 £	2010 £
Interest receivable	74,498	12,387
Dividends received	-	18,414,379
Dividends paid	1,000,000	2,830,000

Notes (continued)

10 Related party transactions (continued)

The year-end balances with related parties are as follows

	2011 £	2010 £
Cash and cash equivalents held with fellow group undertakings	22,857,361	23,791,166
Payables to fellow group and subsidiary undertakings	19,735	8,303

Compensation of key management personnel

The Company had no employees in the current or prior year

11 Ultimate parent company and parent company of larger group

The company's immediate parent company and controlling party is Watts Blake Beame & Co Limited, registered in England and Wales. Copies of the Watts Blake Beame & Co Limited 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.