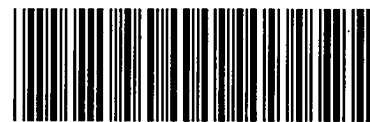


**Sibelco Minerals and Chemicals (Holdings)  
Limited**

**Directors' report and financial  
statements**

Registered number 495403  
Year ended 31 December 2013

TUESDAY



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## Directors' report

The directors present their report and financial statements for the year ended 31 December 2013.

### *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. During the year the Company received interest on its cash balances from other group companies of £40,356 (2012: £57,850) and produced a profit for the year of £30,973 (2012: £43,676).

### *Principal risks and uncertainties*

The company is non-trading and its only activity is interest received on intercompany balances. Since this interest is based on LIBOR, any changes to this measure of interest rates will have a significant impact on the company's profitability. However since the company does not have any liabilities falling due or any cash outflows other than tax on its interest received (which would reduce in parallel), a fall in interest rates will not have an impact on the company's ability to continue as a going concern.

### **Dividend**

During the year the Company has not paid a dividend to the company's immediate parent company and controlling party, Watts Blake Bearne & Co Ltd (2012: £3,100,000).

### **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 2013 and the date of this report:

TC Cutbush  
MC James

### **Auditor**

KPMG LLP resigned as auditors on 23 September 2013 and Ernst & Young LLP were appointed in their place.

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the AGM.

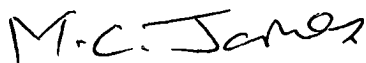
### **Disclosure of information to auditor**

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.

### **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



M James  
Director

Brookside Hall  
Congleton Road  
Sandbach  
Cheshire  
CW11 4TF

Date: 22 September 2014

## **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.

## **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 2013 which comprise the Income statement, Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Cash flow statement and related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

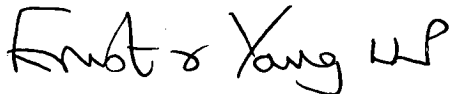
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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; or
- the Directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.



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

Date: ~~30~~ September 2014

**Income statement**  
*for the year ended 31 December 2013*

	<i>Note</i>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Finance income		<b>40,356</b>	<b>57,850</b>
<b>Profit before taxation</b>		<b>40,356</b>	<b>57,850</b>
Taxation	<i>4</i>	<b>(9,383)</b>	<b>(14,174)</b>
<b>Profit for the year</b>	<i>9</i>	<b>30,973</b>	<b>43,676</b>

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 2013*

	2013 £	2012 £
Profit for the year	30,973	43,676
<b>Total comprehensive income for the period</b>	<b>30,973</b>	<b>43,676</b>
<b>Total comprehensive income is attributable to:</b>		
Equity shareholders	30,973	43,676

**Statement of changes in equity**  
*for the year ended 31 December 2013*

	Share capital £	Share premium account £	Capital Reserve £	Profit and loss account £	Total £
At 1 January 2012	1,200,002	11,218,274	493,460	14,661,494	27,573,230
Total comprehensive income for the year	-	-	-	43,676	43,676
Dividend paid	-	-	-	(3,100,000)	(3,100,000)
At 1 January 2013	1,200,002	11,218,274	493,460	11,605,170	24,516,906
Total comprehensive income for the year	-	-	-	30,973	30,973
<b>At 31 December 2013</b>	<b>1,200,002</b>	<b>11,218,274</b>	<b>493,460</b>	<b>11,636,143</b>	<b>24,547,879</b>

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



**Statement of financial position**  
**at 31 December 2013**

	<i>Note</i>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Non-current assets</b>			
Investments	5	24,485,604	4,735,604
<b>Current assets</b>			
Cash and cash equivalents held with fellow group undertakings	6	71,658	19,795,476
<b>Total assets</b>		<b>24,557,262</b>	<b>24,531,080</b>
<b>Current liabilities</b>			
Trade and other payables	7	(9,383)	(14,174)
<b>Total liabilities</b>		<b>(9,383)</b>	<b>(14,174)</b>
<b>Net current assets</b>		<b>62,275</b>	<b>19,781,302</b>
<b>Net assets</b>		<b>24,547,879</b>	<b>24,516,906</b>
<b>Equity</b>			
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	11,636,143	11,605,170
<b>Total equity</b>		<b>24,547,879</b>	<b>24,516,906</b>

These financial statements were approved by the board of directors on 22 September 2014 and were signed on its behalf by:

*M. C. James*

**M James**  
 Director

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

**Cash flow statement**  
*for the year ended 31 December 2013*

	<i>Note</i>	<b>2013</b>		<b>2012</b>	
		£	£	£	£
<b>Cash flow from operating activities</b>					
Profit before tax		40,356		57,850	
<i>Adjustments for:</i>					
Financial income		(40,356)		(57,850)	
		<hr/>		<hr/>	
Cash flow generated from operations		-		-	
Taxation paid		(14,174)		(19,735)	
		<hr/>		<hr/>	
<b>Net cash flow from operating activities</b>			(14,174)		(19,735)
<b>Cash flow from investing activities</b>					
Equity investment in subsidiary undertaking	5	(19,750,000)		-	
Interest received		40,356		57,850	
		<hr/>		<hr/>	
<b>Net cash flow from investing activities</b>			(19,709,644)		57,850
<b>Cash flow from financing activities</b>					
Dividend paid to Company's shareholder		-		(3,100,000)	
		<hr/>		<hr/>	
<b>Net cash flow from financing activities</b>			-		(3,100,000)
		<hr/>		<hr/>	
<b>Net decrease in cash and cash equivalents in the year</b>			(19,723,818)		(3,061,885)
Cash and cash equivalents at 1 January			19,795,476		22,857,361
			<hr/>		<hr/>
<b>Cash and cash equivalents at 31 December</b>	6		71,658		19,795,476
			<hr/>		<hr/>

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

Cash and cash equivalents are held with fellow group undertakings.

## 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 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 statement of financial position 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 reporting 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 reporting 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. 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 (2012: £nil).

### 4 Taxation

	2013 £	2012 £
<i>Recognised in the income statement</i>		
Current tax expense on income for the year	9,383	14,174
Current tax expense	9,383	14,174
Total tax in income statement	9,383	14,174
	2013 £	2012 £
<i>Reconciliation of effective tax rate</i>		
Profit before tax	40,356	57,850
Tax using UK corporation tax rate of 23.25% (2012: 24.5%)	9,383	14,174
Total tax in income statement	9,383	14,174

The company has a brought forward capital loss of £286,427 available to carry forward against future capital profits (2012: £286,427). No deferred tax asset has been recognised on the grounds that recovery is uncertain (2012: £nil).

## Notes (continued)

### 5 Investments

	Shares in subsidiary undertakings £
<i>Shares</i>	
<i>Cost</i>	
At 1 January and 31 December 2012	4,867,000
Equity investment in subsidiary	19,750,000
<b>At 31 December 2013</b>	<b>24,617,000</b>
<i>Provisions</i>	
At 1 January and 31 December 2012 and 2013	131,396
<i>Net book value</i>	
At 1 January and 31 December 2012	4,735,604
<b>At 31 December 2013</b>	<b>24,485,604</b>

During the year, the Company made a further equity investment of £19.75m in its subsidiary undertaking Sibelco UK Ltd.

The company has the following investments in subsidiaries:

Company	Country of incorporation or registration
Sibelco UK Limited	England

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.

### 6 Cash and cash equivalents

	2013 £	2012 £
Cash and cash equivalents held with fellow group undertakings	71,658	19,795,476

## Notes (continued)

### 7 Trade and other payables

	2013 £	2012 £
<i>Amounts payable within one year</i>		
Tax group relief owed to fellow group undertakings	9,383	14,174

### 8 Share capital

	2013 £	2012 £
1,200,002 Ordinary shares of £1 each: Authorised, 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 2012	11,218,274	493,460	14,661,494
Dividend paid to parent undertaking	-	-	(3,100,000)
Profit for the year	-	-	43,676
At 31 December 2012	11,218,274	493,460	11,605,170
At 1 January 2013	11,218,274	493,460	11,605,170
Profit for the year	-	-	30,973
At 31 December 2013	11,218,274	493,460	11,636,143

### 10 Related party transactions

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

	2013 £	2012 £
Interest receivable	40,356	57,850
Dividends paid	-	3,100,000

## Notes (continued)

### 10 Related party transactions (continued)

The year-end balances with related parties are as follows:

	2013 £	2012 £
Investments in subsidiary undertakings (net of impairments)	24,485,604	4,735,604
Cash and cash equivalents held with fellow group undertakings	71,658	19,795,476
Group relief payable to fellow group and subsidiary undertakings	9,383	14,174

### 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 Bearne & Co Limited, registered in England and Wales. Copies of the Watts Blake Bearne & 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.