

H&C ACQUISITIONS LIMITED
Registered Number: 2193956

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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COMPANIES HOUSE

H & C ACQUISITIONS LIMITED

Directors' report for the year ended 31 December 2007

The directors submit their report and the audited financial statements for the year ended 31 December 2007

Directors

The directors of the Company who served during the year were as follows

SC Kilpatrick (resigned 26th February 2008)

BG Taylorson

W Wong (appointed 25th February 2008)

Statement of directors' responsibilities

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a 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 its financial statements comply with the Companies Act 1985. 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

H & C ACQUISITIONS LIMITED

Directors' report for the year ended 31 December 2007 (continued)

Principal activities and business review

The activity of the Company is to act as an investment holding Company

The results for the year ended 31 December 2007 and state of affairs of the Company as at that date are set out in the annexed accounts

Dividends

No ordinary share dividend was paid or proposed during the year

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board



W Wong
Secretary
DATE

14.10.08

Registered office
10 Albemarle Street
London
W1S 4BL

H & C ACQUISITIONS LIMITED

Independent Auditor's report to the members of H & C Acquisitions Limited

We have audited the financial statements of H & C Acquisitions Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These 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 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 1.

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 are 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 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.

H & C ACQUISITIONS LIMITED

Independent Auditor's report to the members of H & C Acquisitions Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result 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

KPMG Audit Plc

14 October 2008

KPMG Audit Plc
Chartered Accountants
Registered Auditor

DATE

H & C ACQUISITIONS LIMITED

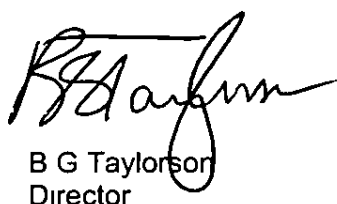
PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

During the year ended 31 December 2007, the Company did not trade and received no income and incurred no expenditure. Consequently the Company made neither a profit nor loss in the current or prior period.

BALANCE SHEET at 31 December 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Investments in group undertakings	3	<u>171,821</u>	<u>171,821</u>
Current assets			
Debtors			
Amounts owed by group undertakings		<u>62,481</u>	<u>62,481</u>
Net assets		<u>234,302</u>	<u>234,302</u>
Capital and reserves			
Called up share capital	4	9	9
Share premium account	5	233,075	233,075
Profit and loss account	5	<u>1,218</u>	<u>1,218</u>
Shareholders' funds - equity		<u>234,302</u>	<u>234,302</u>

The notes on pages 6 to 7 form part of these financial statements



B G Taylorson
Director

Approved by the Board on DATE 14.10.08

H & C ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles and applicable accounting standards applied consistently

Investment income

Dividends receivable from group undertakings are accounted for on an accruals basis

Valuation of investments

Investments are shown in the balance sheet at cost or, where lower, at directors' valuation

2 Administrative expenses

Auditors' remuneration and expenses are borne by Elementis Holdings Limited, an intermediate parent undertaking

The emoluments of all the directors are borne by the Company's parent undertaking, Elementis plc, being the company for which they performed substantially all of their executive duties

There were no employees in the year (2006 nil)

3 Investments in group undertakings

	Unlisted shares at cost £'000
At 1 January and 31 December 2007	<u>171,821</u>

Investments in group undertakings represent 0.1% cumulative redeemable preference shares in Agrichrome Limited

In the opinion of the directors, the value of investments is not less than the value at which they are included in the balance sheet

H & C ACQUISITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

4 Called up share capital

	Authorised		Issued and fully paid	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>

5 Reserves

	Share premium £'000	Profit & loss account £'000
At 31 December 2006	233,075	1,218
Retained profit for the financial period	-	-
At 31 December 2007	<u>233,075</u>	<u>1,218</u>

6 Parent and ultimate parent undertakings

The Company's ultimate parent undertaking is Elementis plc. The Company's immediate parent undertaking is Elementis Nederland BV.

Elementis plc was the smallest and largest group to consolidate the financial statements of the Company. Copies of the consolidated financial statements of Elementis plc may be obtained from 10 Albemarle Street, London, W1S 4BL.

7 Related party transactions

As the Company is a wholly owned subsidiary, advantage has been taken of the exemption afforded by FRS8 not to disclose any related party transactions with other members of the Group or its associates and joint ventures.

8 Cash flow statement

The ultimate parent undertaking has presented in its consolidated financial statements a group cash flow statement. Accordingly the Company has taken advantage of the exemption available under FRS1 to dispense with presenting its own cash flow statement.