Company Registration No. 06231428

CHESHIRE SALT HOLDINGS LIMITED

Report and financial statements
for the period ended 31 March 2012

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COMPANIES HOUSE

DIRECTORS' REPORT

The dırectors present theır annual report and the audıted financıal statements for the 15 month perıod ended 31 March 2012

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company acts as an ıntermedıate holdıng company

The company made a loss after taxatıon of £1,000 (year ended 31 December 2010 loss of £433,000) No dıvıdends were paıd ın eıther perıod

CHANGE OF OWNERSHIP

On 18 January 2011 the company was acquıred by Tata Chemıcals Europe Holdıngs Lımıted Further detaıls regardıng the ultımate controllıng party are provıded ın Note 13 to the financıal statements

DIRECTORS AND THEIR INTERESTS

The dırectors who held office durıng the perıod are shown below

R O Jones	(resıgned 18 January 2011)
C W Thompson	(resıgned 11 June 2012)
D A Steven	(resıgned 18 January 2011)
D Challınor	(resıgned 18 January 2011)
R S Adcock	(resıgned 18 January 2011)
C E Wormald	(resıgned 18 January 2011)
T N Brown	(resıgned 18 January 2011)
A N Runcıman	(resıgned 18 January 2011)
M G Vaughan	(resıgned 18 January 2011)
J L Abbotts	(appoınted 18 January 2011)
M J Ashcroft	(appoınted 18 January 2011)
N C Chamberlaın	(appoınted 18 January 2011, resıgned 23 January 2012)
P P Houghton	(appoınted 18 January 2011)
L Iravanıan	(appoınted 18 January 2011)
J S Melıa	(appoınted 18 January 2011)
L D Weston	(appoınted 18 January 2011)
D L Bloomquıst	(appoınted 28 January 2011)

Certaın dırectors have provıded finance to the company ın the form of "B" loan notes, the detaıls of whıch are ıncluded ın Note 11 to the financıal statements All of the loan notes were repaıd durıng the perıod Certaın dırectors were provıded wıth loans from the company, the detaıls of whıch are ıncluded ın Note 3 to the financıal statements

FUTURE OUTLOOK

As referred to ın note 1 to the financıal statements, the dırectors have concluded that the company has adequate resources to contınue ın operatıonal exıstence for the foreseeable future For thıs reason, the dırectors contınue to adopt the goıng concern basıs of accountıng ın preparıng the annual financıal statements

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each director is 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 in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Deloitte LLP were appointed as auditor during the period Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By order of the Board

JL Abbotts
Director
15 June 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The dırectors are responsıble for preparıng the Annual Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have prepared the company financıal statements ın accordance wıth Unıted Kıngdom Generally Accepted Accountıng Practıce (Unıted Kıngdom Accountıng Standards and applıcable law) Under company law the dırectors must not approve the financıal statements unless they are satısfied that they gıve a true and faır vıew of the state of affaırs of the company and of the profit or loss for that perıod In preparıng these financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make ȷudgements and accountıng estımates that are reasonable and prudent,
- state whether applıcable UK Accountıng Standards have been followed, subȷect to any materıal departures dısclosed and explaıned ın the financıal statements, and
- prepare the financıal statements on the goıng concern basıs unless ıt ıs ınappropriate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng adequate accountıng records that are suffıcıent to show and explaın the company's transactıons and dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that the financıal statements comply wıth the Companıes Act 2006 They are also responsıble for safeguardıng the assets of the company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE SALT HOLDINGS LIMITED

We have audited the financial statements of Cheshire Salt Holdings Limited for the 15 month period ended 31 March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 12 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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, 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 annual report to identify material inconsistencies with the audited financial statements 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 March 2012 and of its loss for the period 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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Anthony Farnworth BA ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
15 June 2012

PROFIT AND LOSS ACCOUNT
15 month period ended 31 March 2012

	Note	15 month period ended 31 March 2012 £'000	Year ended 31 December 2010 £'000
Administrative expenses		-	(436)
OPERATING LOSS	2	-	(436)
Interest receivable	5	5	12
Interest payable and similar charges	5	(6)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1)	(424)
Taxation	6	-	(9)
LOSS FOR THE FINANCIAL PERIOD	10	(1)	(433)

The historical cost profit is identical to that disclosed above, and therefore no separate note of historical cost profits and losses has been presented

All operations are classed as continuing

The accompanying notes are an integral part of these financial statements

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account

BALANCE SHEET
As at 31 March 2012

	Note	31 March 2012 £'000	31 December 2010 £'000
FIXED ASSETS			
Investments	11	-	-
		-	-
CURRENT ASSETS			
Debtors	7	2	103
NET CURRENT ASSETS		2	103
CREDITORS. amounts fallıng due within one year	8	-	(102)
NET ASSETS		2	1
CAPITAL AND RESERVES			
Called up share capıtal	9	140	138
Capıtal redemptıon reserve	10	28	28
Share premıum account	10	178	178
Profit and loss account	10	(344)	(343)
SHAREHOLDER'S FUNDS	10	2	1

The accompanyıng notes are an ıntegral part of these financıal statements

The financıal statements of Cheshıre Salt Holdıngs Lımıted, regıstered number 06231428, were approved by the Board of Dırectors on 15 June 2012 and were sıgned on ıts behalf by

JLAbbotts

J L Abbotts
Dırector

NOTES TO THE FINANCIAL STATEMENTS
For the 15 month period ended 31 March 2012

1. ACCOUNTING POLICIES

Basis of accountıng

These financıal statements are prepared on the goıng concern basıs, under the hıstorıcal cost conventıon and ın accordance wıth the applıcable law and Unıted Kıngdom accountıng polıcıes The prıncıpal accountıng polıcıes, whıch have been applıed consıstently throughout the perıod are set out below

The company has taken advantage of the exemptıon from preparıng consolıdated financıal statements afforded by sectıon 400 of the Companıes Act 2006 because ıt ıs a wholly owned subsıdıary of Tata Chemıcals Europe Holdıngs Lımıted whıch prepares consolıdated financıal statements whıch are publıcly avaılable The company ıs also, on thıs basıs, exempt from the requırement of FRS 1 (revısed 1996) to prepare a cash flow statement

Going concern

The performance, financıal posıtıon and the key rısks ımpactıng the company are detaıled ın the Dırectors' Report on pages 2-3 The company ıs a subsıdıary of Tata Chemıcals Europe Holdıngs Lımıted ("TCEHL"), and acts as a guarantor and oblıgor to a bankıng facılıtıes agreement between TCEHL and a syndıcate of banks headed by Standard Chartered Bank TCEHL and ıts subsıdıarıes (together "the subgroup") manage theır financıng and cash requırements on a pooled basıs, allocatıng ıt between subsıdıarıes to meet short and medıum term requırements As a result of thıs relatıonshıp, the goıng concern basıs of preparatıon of the financıal statements ıs ınextrıcably lınked wıth the other companıes ın the subgroup Based on the strong relatıonshıp between the company and TCEHL, the dırectors of thıs company are satısfied that TCEHL, beıng the parent of the subgroup, wıll contınue to manage the subgroup's financıal posıtıon on thıs basıs, and as such the dırectors have consıdered the financıal posıtıon of the TCEHL subgroup

At 31 March 2012 the TCEHL subgroup was funded by £137 8m of debt whıch consısted of a £123 5m term loan and a £14 3m revolvıng credıt facılıty £13m of the senıor debt ıs repayable ın wıthın one year

The dırectors of TCEHL have prepared forecasts of the subgroup's profitabılıty and cash generatıon for the perıod to March 2017 ("the forecasts"), takıng ınto account the sensıtıvıty of busıness performance to reasonably possıble changes ın market condıtıons and as a result of the current economıc clımate These forecasts ındıcate that the subgroup's exıstıng facılıtıes should be suffıcıent durıng the perıod The term loan element of the senıor debt has financıal covenants attached, prımarıly based on the level of earnıngs and debt The dırectors of TCEHL have assessed these covenants agaınst the forecasts wıth the base case showıng no breaches over the goıng concern perıod The dırectors of TCEHL have consıdered reasonably possıble changes ın market condıtıons agaınst these covenants and belıeve that any adverse changes could be managed through mıtıgatıng actıons to prevent a breach ın any of the covenants In makıng theır assessment the dırectors have also consıdered the net lıabılıty posıtıon of the group Thıs arıses due to the pensıon lıabılıty assocıated wıth the subgroup's defined benefit schemes There ıs an agreed fundıng plan ın place for the pensıon schemes for whıch the cash flows assocıated are factored ınto the forecasts of the subgroup Removıng the pensıon lıabılıty from the balance sheet leaves an overall net assets posıtıon

After revıewıng the forecasts and makıng such other enquırıes as were necessary, the dırectors have formed a judgment, at the tıme of approvıng the financıal statements, that there ıs a reasonable expectatıon that the company and subgroup have adequate resources to contınue ın operatıonal exıstence for the foreseeable future For thıs reason, the dırectors contınue to adopt the goıng concern basıs of accountıng ın preparıng the annual financıal statements

Fixed asset investments

Fıxed asset ınvestments are stated at cost less amounts wrıtten off for ımpaırment

1 ACCOUNTING POLICIES (continued)

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and law that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which that are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 calculated at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is calculated on a non-discounted basis

2. OPERATING LOSS

Audit fees are borne by the company's subsidiaries

3. EMOLUMENTS OF DIRECTORS

None of the directors received any emoluments from the company Following the acquisition of the company on 18 January 2011 by Tata Chemicals Europe Holdings Limited, there were several changes in directors None of the directors appointed on or after this date received any remuneration from the company and are remunerated by a fellow group undertaking, Tata Chemicals Europe Limited Prior to the acquisition the directors were remunerated by the company's subsidiary, British Salt Limited

During 2010, the company provided interest free loans to three directors totalling £98,000 Mr A N Runciman and Mr T N Brown were provided with £37,333 each and Mr M G Vaughan was provided with £23,334 The loans were to be repaid in stages over five years or in full immediately in the event that the company was sold Following the completion of the sale of the company to Tata Chemicals Europe Holdings Limited on 18 January 2011 the loans were duly repaid in full

4. EMPLOYEE COSTS

Other than the directors, the company has no employees

5. INTEREST PAYABLE AND RECEIVABLE

	15 month period ended 31 March 2012 £'000	Year ended 31 December 2010 £'000
Interest payable and similar charges		
Interest payable to fellow group companies	6	-
Total interest payable and similar charges	6	-
Interest receivable from fellow group companies	(5)	(12)
Net interest payable / (receivable)	1	(12)

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	15 month period ended 31 March 2012 £'000	Year ended 31 December 2010 £'000
The tax charge for the period comprises		
Current tax charge for the period	-	-
Adjustments in respect of previous periods	-	9
	-	9

Circumstances that affect the current tax charges for the period are as follows

	15 month period ended 31 March 2012 £'000	Year ended 31 December 2010 £'000
Loss on ordinary activities before tax	(1)	(424)
Expected tax on loss at 26 4% (31 December 2010 28%)	-	(119)
Effects of		
Expenses not deductible for taxation purposes	-	99
Group relief surrendered at nil charge	-	20
Adjustments to tax charge in respect of previous periods	-	9
Current tax charge	-	9

There are no unrecognised deferred tax assets or liabilities

Change in rate of corporation tax

During the period the UK government substantively enacted a reduction in the headline rate of UK corporation tax to 26% with effect from 1 April 2011 Further announcements have been made which indicate the intention to continue to reduce the rate by 1% per annum down to a level of 22% by 2014, though as of the date of signing the financial statements these changes have not yet been substantively enacted

7. DEBTORS

	31 March 2012 £'000	31 December 2010 £'000
Amounts fallıng due wıthın one year		
Amounts due from group undertakıngs	2	-
Other debtors	-	103
	2	103

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2012 £'000	31 December 2010 £'000
Bank loans and overdrafts	-	76
Amounts due to group undertakıngs	-	26
	-	102

9. CALLED-UP SHARE CAPITAL

	31 March 2012 Number	31 March 2012 £'000	31 December 2010 Number	31 December 2010 £'000
Allotted, called -up and fully paid				
"A" ordınary shares of 1p each	72,717	1	72,717	1
"B" ordınary shares of £1 each	78,572	79	78,572	79
"C" ordınary shares £1 each	7,142	7	7,142	7
"D" ordınary shares 40p each	121,568	49	127,283	51
"L" ordınary shares 40p each	5,715	2	-	-
"A" deferred shares of 40p each	5,715	2	-	-
Preferred ordınary shares of 10p each	10	-	10	-
	291,439	140	285,724	138

Issue of new "L" shares

The acquısıtıon of the company on 18 January 2011 trıggered a clause ın the shareholder agreements enablıng the company's lendıng bank to exercıse share warrants The exercıse of these led to the company ıssuıng 5,715 "L" ordınary shares at par

In accordance wıth the company's artıcles of assocıatıon an equıvalent number of "D" shares were redesıgnated as "A" deferred shares wıthout resolutıon or consent of the members

Share rights

Dıstrıbutıons from the company wıll be paıd pro-rata to the holders of equıty shares as ıf they were all one class

"A", "B" and "C" ordınary shares carry equal votıng rıghts "D" ordınary shares provıde no rıght to vote except ın the case of a materıal default, ın whıch case the number of votes wıll equate to 75% of the total votes "L", "A" deferred and preferred ordınary shares confer no votıng rıghts

In the event of a wındıng up, the holders of Preferred ordınary shares rank first and are entıtled to an amount equal to the redemptıon value of the shares The remaınıng shares are treated as one class and are entıtled to share equally ın any surplus

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2011	138	178	28	(343)	1
Issue of new shares	2	-	-	-	2
Loss for the period	-	-	-	(1)	(1)
At 31 March 2012	140	178	28	(344)	2

11. INVESTMENTS

	Shares in subsidiary undertaking £'000
Cost and net book value	
At 1 January 2010 and 31 March 2012	-

The company has the following subsidiaries

Company	County of incorporation	Principal activity	% of ordinary share capital held
Cheshire Salt Limited	England	Holding company	100
New Cheshire Salt Works Limited	England	Manufacture and sale of salt products	100*
Irish Feeds Limited	England	Manufacture and sale of salt products	100*
British Salt Limited	England	Manufacture and sale of salt products	100*

* Indirect shareholding

12. ULTIMATE CONTROLLING PARTY

From the beginning of the period until 18 January 2011, the directors believed that the company had no ultimate controlling party Whilst Lloyds Development Capital had a majority interest in the share capital of the company, and in certain circumstances could exercise swamping rights, the directors did not believe that they exercised control on the grounds that they had little involvement in the operation and management of the company's affairs

On 18 January 2011 the entire issued share capital of the company was acquired by Tata Chemicals Europe Holdings Limited, a company incorporated in England, which is the company's immediate parent undertaking As a result of the acquisition, Tata Chemicals Limited, a company incorporated in India, is the company's ultimate controlling party

The smallest group of companies of which the company is a member that produces consolidated financial statements is Tata Chemicals Europe Holdings Limited which is incorporated in England Copies of the accounts are available from the Registrar of Companies, Crown Way, Cardiff

The largest group of companies of which the company is a member that produces consolidated financial statements is Tata Chemicals Limited which is incorporated in India Copies of the accounts are available from the Company Secretary, Tata Chemicals Limited, Bombay House, Mumbai, India

The company has taken advantage of the exemption in Financial Reporting Standard 8 "Related party disclosures" for wholly owned subsidiaries and has not disclosed transactions within the Homefield Pvt UK Limited group