

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 NOVEMBER 2012
FOR
IRISH SALT MINING & EXPLORATION COMPANY
LIMITED

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**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

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FOR THE YEAR ENDED 30 NOVEMBER 2012**

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**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2012**

DIRECTORS:

Ms S Mahoney
Ms K Mahoney
Mr P Mahoney

SECRETARY:

Ms D Robson

REGISTERED OFFICE:

Fort Road
Kilroot
CARRICKFERGUS
Co. Antrim
BT38 9BT

REGISTERED NUMBER:

NI006389

AUDITORS:

Baker Tilly Mooney Moore
Chartered Certified Accountants
Registered Auditors
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

BANKERS:

Bank of Ireland
4 - 8 High Street
Belfast
Co. Antrim
BT1 2BA

SOLICITORS:

Agnew Andress Higgins Solicitors
1st Floor
92 High Street
Belfast
BT1 2BG

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

The directors present their report with the accounts of the company for the year ended 30 November 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of mining, processing and distribution of rock salt.

REVIEW OF BUSINESS

The results for the year and financial position of the company are shown in the annexed financial statements.

DIVIDENDS

The total distribution of dividends for the year ended 30 November 2012 will be £7,000,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the accounts.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2011 to the date of this report.

Ms S Mahoney
Ms K Mahoney
Mr P Mahoney

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic Risk

The business is subject to the normal economic factors impacting on its cost base and manages these on an ongoing basis.

Competition Risk

The directors of the company manage competition risk through close attention to customer service levels.

Financial Risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators to manage credit, liquidity and other financial risk.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the group's directors are of the opinion that an analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations amounting to £3,000 (2011: £3,700).

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). 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 judgements and accounting 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 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 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.

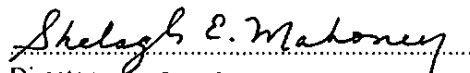
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Directors confirms that, so far as they are aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Baker Tilly Mooney Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


Director MS S MAHONEY

Date: 31st July 2013

**REPORT OF THE INDEPENDENT AUDITORS TO
IRISH SALT MINING & EXPLORATION COMPANY
LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to fourteen, together with the full financial statements of Irish Salt Mining & Exploration Company Limited for the year ended 30 November 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

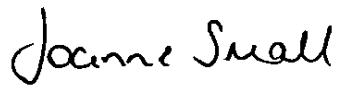
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Joanne Small (Senior Statutory Auditor)
for and on behalf of Baker Tilly Mooney Moore
Chartered Certified Accountants
Registered Auditors
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

Date: 14th August 2013

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Notes	30.11.12 £	30.11.11 £
TURNOVER	2	11,570,958	29,599,123
Cost of sales and other operating income		(8,300,035)	(17,005,082)
		3,270,923	12,594,041
Administrative expenses		2,848,386	2,824,418
OPERATING PROFIT	5	422,537	9,769,623
Interest receivable and similar income		154,380	107,489
		576,917	9,877,112
Interest payable and similar charges	6	9,543	12,482
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		567,374	9,864,630
Tax on profit on ordinary activities	7	157,963	2,620,771
PROFIT FOR THE FINANCIAL YEAR		409,411	7,243,859

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

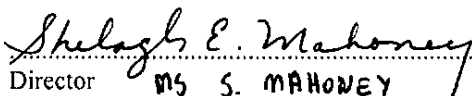
**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

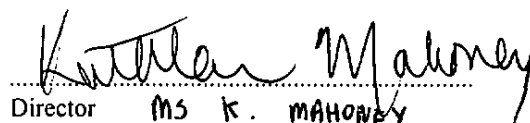
**ABBREVIATED BALANCE SHEET
30 NOVEMBER 2012**

	Notes	30.11.12 £	£	30.11.11 £	£
FIXED ASSETS					
Tangible assets	9		2,952,177		3,060,661
CURRENT ASSETS					
Stocks	10	2,448,267		2,167,155	
Debtors	11	3,828,088		7,053,173	
Cash at bank and in hand		<u>18,216,001</u>		<u>17,163,944</u>	
		24,492,356		26,384,272	
CREDITORS					
Amounts falling due within one year	12	<u>9,683,117</u>		<u>5,024,658</u>	
NET CURRENT ASSETS			<u>14,809,239</u>		<u>21,359,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,761,416		24,420,275
PROVISIONS FOR LIABILITIES	14		<u>155,055</u>		<u>223,325</u>
NET ASSETS			<u>17,606,361</u>		<u>24,196,950</u>
CAPITAL AND RESERVES					
Called up share capital	15		49,998		49,998
Profit and loss account	16		<u>17,556,363</u>		<u>24,146,952</u>
SHAREHOLDERS' FUNDS	22		<u>17,606,361</u>		<u>24,196,950</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were authorised for issue by the Board of Directors on 31st July 2013 and were signed on its behalf by:


Director **MS S. MAHONEY**


Director **MS K. MAHONEY**

The notes form part of these abbreviated accounts

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Notes	30.11.12 £	30.11.11 £
Net cash inflow from operating activities	1	3,579,950	6,485,403
Returns on investments and servicing of finance	2	144,837	95,007
Taxation		(1,563,367)	(2,679,840)
Capital expenditure	2	<u>(662,018)</u>	<u>(548,782)</u>
Increase in cash in the period		<u>1,499,402</u>	<u>3,351,788</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>1,499,402</u>	<u>3,351,788</u>
Change in net funds resulting from cash flows		<u>1,499,402</u>	<u>3,351,788</u>
Movement in net funds in the period		1,499,402	3,351,788
Net funds at 1 December		<u>16,057,139</u>	<u>12,705,351</u>
Net funds at 30 November		<u>17,556,541</u>	<u>16,057,139</u>

The notes form part of these abbreviated accounts

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.11.12	30.11.11
	£	£
Operating profit	422,537	9,769,623
Depreciation charges	735,236	680,194
Loss/(profit) on disposal of fixed assets	431	(1,239)
Impairment losses - freehold property	34,835	-
Increase in stocks	(281,112)	(1,206,550)
Decrease/(increase) in debtors	3,225,085	(2,924,936)
(Decrease)/increase in creditors	<u>(557,062)</u>	<u>168,311</u>
Net cash inflow from operating activities	<u>3,579,950</u>	<u>6,485,403</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.11.12	30.11.11
	£	£
Returns on investments and servicing of finance		
Interest received	154,380	107,489
Interest paid	<u>(9,543)</u>	<u>(12,482)</u>
Net cash inflow for returns on investments and servicing of finance	<u>144,837</u>	<u>95,007</u>
 Capital expenditure		
Purchase of tangible fixed assets	(670,651)	(551,432)
Sale of tangible fixed assets	<u>8,633</u>	<u>2,650</u>
Net cash outflow for capital expenditure	<u>(662,018)</u>	<u>(548,782)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.11 £	Cash flow £	At 30.11.12 £
Net cash:			
Cash at bank and in hand	17,163,944	1,052,057	18,216,001
Bank overdraft	<u>(1,106,805)</u>	<u>447,345</u>	<u>(659,460)</u>
	<u>16,057,139</u>	<u>1,499,402</u>	<u>17,556,541</u>
 Total	 <u>16,057,139</u>	 <u>1,499,402</u>	 <u>17,556,541</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold during the year. The company operates within two geographical markets, the United Kingdom and the United States.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% on reducing balance
Assets under construction	- not provided
Plant and machinery	- 25% on reducing balance
Development costs	- 4% on cost

Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost is calculated by reference to the mining costs incurred in bringing the minerals to the pithead, with overheads being allocated based on a normal level of activity.

Deferred tax

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences. Deferred tax assets are recognised only to the extent they are regarded as recoverable.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and any difference is taken to the profit and loss account. Exchange differences arising on transactions during the year are taken directly to the profit and loss account.

Pension costs and other post-retirement benefits

The company operates a money purchase (defined contribution) scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. These contributions are invested separately from the company's assets.

Repairs and renewals

Repairs and renewals and purchases of replacement parts are written off in the year in which they are incurred.

Exploration costs

Exploration costs are written off in the year in which they are incurred.

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2012**

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	30.11.12	30.11.11
	£	£
U.K. Sales	10,013,321	23,876,700
European Sales	<u>1,557,637</u>	<u>5,722,423</u>
	<u>11,570,958</u>	<u>29,599,123</u>

3. OTHER OPERATING INCOME

	30.11.12	30.11.11
	£	£
Sundry income	<u>9,807</u>	<u>24,229</u>

4. STAFF COSTS

	30.11.12	30.11.11
	£	£
Wages and salaries	2,458,533	2,437,294
Other pension costs	<u>156,740</u>	<u>46,955</u>
	<u>2,615,273</u>	<u>2,484,249</u>

The average monthly number of employees during the year was as follows:

	30.11.12	30.11.11
Administration	7	6
Processing and distribution	<u>47</u>	<u>49</u>
	<u>54</u>	<u>55</u>

5. OPERATING PROFIT

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

	30.11.12	30.11.11
	£	£
Hire of plant and machinery	20,037	7,571
Depreciation - owned assets	735,236	680,194
Loss/(profit) on disposal of fixed assets	431	(1,239)
Auditors' remuneration	15,250	14,750
Auditors' remuneration for non audit work	16,280	19,050
Foreign exchange differences	<u>188,471</u>	<u>(27,113)</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2012**

6. INTEREST PAYABLE AND SIMILAR CHARGES

	30.11.12	30.11.11
	£	£
Bank charges	8,468	7,888
Other interest	<u>1,075</u>	<u>4,594</u>
	<u>9,543</u>	<u>12,482</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30.11.12	30.11.11
	£	£
Current tax:		
UK corporation tax	226,233	2,679,346
Deferred tax	<u>(68,270)</u>	<u>(58,575)</u>
Tax on profit on ordinary activities	<u>157,963</u>	<u>2,620,771</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.11.12	30.11.11
	£	£
Profit on ordinary activities before tax	<u>567,374</u>	<u>9,864,630</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	136,170	2,564,804
Effects of:		
Expenses not deductible for tax purposes	38,957	22,358
Income not taxable for tax purposes	(8,956)	(9,885)
Depreciation in excess of capital allowances	60,265	35,443
Timing differences	<u>(203)</u>	<u>66,626</u>
Current tax charge	<u>226,233</u>	<u>2,679,346</u>

8. DIVIDENDS

	30.11.12	30.11.11
	£	£
Final	<u>7,000,000</u>	<u>-</u>

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2012**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Plant and machinery £	Development costs £	Totals £
COST					
At 1 December 2011	286,620	-	9,910,823	2,641,890	12,839,333
Additions	-	113,015	557,636	-	670,651
Disposals	-	-	(1,374,809)	(137,630)	(1,512,439)
At 30 November 2012	<u>286,620</u>	<u>113,015</u>	<u>9,093,650</u>	<u>2,504,260</u>	<u>11,997,545</u>
DEPRECIATION					
At 1 December 2011	44,207	-	7,501,910	2,232,555	9,778,672
Charge for year	1,665	-	700,985	32,586	735,236
Eliminated on disposal	-	-	(1,365,745)	(137,630)	(1,503,375)
Impairments	<u>34,835</u>	-	-	-	<u>34,835</u>
At 30 November 2012	<u>80,707</u>	-	<u>6,837,150</u>	<u>2,127,511</u>	<u>9,045,368</u>
NET BOOK VALUE					
At 30 November 2012	<u>205,913</u>	<u>113,015</u>	<u>2,256,500</u>	<u>376,749</u>	<u>2,952,177</u>
At 30 November 2011	<u>242,413</u>	-	<u>2,408,913</u>	<u>409,335</u>	<u>3,060,661</u>

Included in cost of land and buildings is freehold land of £190,923 (2011 - £225,758) which is not depreciated.

10. STOCKS

	30.11.12 £	30.11.11 £
Stocks	<u>2,448,267</u>	<u>2,167,155</u>

There exists a stock of replacement parts at a cost of £401,053 (2011: £358,150) which is not included in the balance sheet of the company, in accordance with the accounting policy in note 1.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.12 £	30.11.11 £
Trade debtors	3,529,807	6,527,293
Prepayments and accrued income	<u>298,281</u>	<u>525,880</u>
	<u>3,828,088</u>	<u>7,053,173</u>

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2012**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.12	30.11.11
	£	£
Bank loans and overdrafts (see note 13)	659,460	1,106,805
Trade creditors	1,002,133	1,774,301
Tax	112,345	1,449,479
Social security and other taxes	491,274	328,394
Proposed dividends	7,000,000	-
Accruals and deferred income	417,905	365,679
	<u>9,683,117</u>	<u>5,024,658</u>

13. LOANS

An analysis of the maturity of loans is given below:

	30.11.12	30.11.11
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>659,460</u>	<u>1,106,805</u>

The company has counter indemnities with the Bank of Ireland amounting to £454,000.

14. PROVISIONS FOR LIABILITIES

	30.11.12	30.11.11
	£	£
Deferred tax	<u>155,055</u>	<u>223,325</u>
		Deferred tax
		£
Balance at 1 December 2011		223,325
Credit to profit and loss account during year		<u>(68,270)</u>
Balance at 30 November 2012		<u>155,055</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.11.12	30.11.11
Number:	Class:	Nominal value:	£	£
49,998	Ordinary	£1	<u>49,998</u>	<u>49,998</u>

**IRISH SALT MINING & EXPLORATION COMPANY
LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2012**

16. RESERVES

	Profit and loss account £
At 1 December 2011	24,146,952
Profit for the year	409,411
Dividends	<u>(7,000,000)</u>
At 30 November 2012	<u>17,556,363</u>

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £156,740 (2011: £46,955).

18. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

19. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

20. POST BALANCE SHEET EVENTS

The company entered into a contract on 21 January 2013 to construct a drift which is expected to incur costs amounting to £7,170,000.

21. ULTIMATE CONTROLLING PARTY

ISME Holdings Limited is the ultimate controlling party of Irish Salt Mining and Exploration Company Limited.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.11.12 £	30.11.11 £
Profit for the financial year	409,411	7,243,859
Dividends	<u>(7,000,000)</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	(6,590,589)	7,243,859
Opening shareholders' funds	<u>24,196,950</u>	<u>16,953,091</u>
Closing shareholders' funds	<u>17,606,361</u>	<u>24,196,950</u>