

IMERYS TALC UK HOLDING LIMITED

(formerly Rio Tinto Talc Limited)

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

The Company's registered number is 1599006

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IMERYS TALC UK HOLDING LIMITED
REPORT OF THE DIRECTORS

Registered Number: 1599006

The directors present their Annual Report on the affairs of the Company together with the financial statements and auditor's report for the year ended 31 December 2011

Principal Activities and Business Review

Imerys Talc UK Holding Limited is an investment holding company for the European Talc business of the Imerys group and will continue to be so for the foreseeable future. The Company is incorporated in Great Britain and registered in England and Wales.

Results and Dividends

During the year the company was sold to the Imerys group and various intragroup balances were settled before completion. An interim dividend of £11,435,916 was paid during the year. The directors do not recommend the payment of a final dividend. The company has not traded since the take-over.

Directors

The directors who served during the period are as shown below

D Larsen (resigned 2 September 2011)
B Mathews (resigned 2 September 2011)
U Quellman (resigned 2 September 2011)
D Musson (appointed 1 August 2011)
O Perrot (appointed 1 August 2011)

Disclosure of Information to the Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Resignation and appointment of Auditors

PricewaterhouseCoopers resigned as auditors on 17 October 2011 and Ernst & Young LLP were appointed. A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By Order of the Board



D Musson
Director
Par Moor Centre
Par Moor Road
Par
Cornwall
PL24 2SQ

15 January 2013

IMERYS TALC UK HOLDING LIMITED

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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 those financial statements, the directors are required to

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMERYS TALC UK HOLDING LIMITED

We have audited the financial statements of Imerys Talc UK Holding Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 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 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 December 2011 and of its profit 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IMERYS TALC UK HOLDING 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

Ernst & Young LLP

Briony Kempton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

29 January 2013

IMERYS TALC UK HOLDING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 £'000	2010 £'000
	Note		
Income from fixed asset investments		43,784	307
Impairment reversal		<u>-</u>	<u>483</u>
Operating profit		43,784	790
 Interest receivable and similar income	3	 3	 1
Interest payable and similar charges	4	(118)	(180)
Profit on disposal of fixed asset investment		665	-
		<u>44,334</u>	<u>611</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
 Tax on loss on ordinary activities	5	 -	 -
		<u>44,334</u>	<u>611</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
 Dividends paid		 <u>(11,436)</u>	 <u>-</u>
PROFIT FOR THE YEAR	10	<u>32,898</u>	<u>611</u>

The above results relate to continuing activities

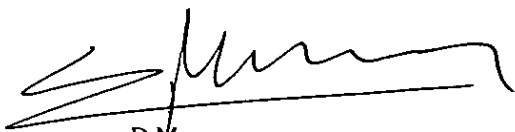
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011

The Company had no recognised gains or losses other than the profit for the year

IMERYS TALC UK HOLDING LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2011

		2011 £'000	2010 £'000
	Note		
FIXED ASSETS			
Investments	6	38,631	49,499
 CURRENT ASSETS			
Cash at bank and in hand		-	-
Debtors	7	9,945	2,333
		-	2,333
CREDITORS Amounts falling due within one year	8	(2,333)	(38,487)
NET CURRENT ASSETS / (LIABILITIES)		7,612	(36,154)
 TOTAL ASSETS LESS CURRENT LIABILITIES		46,243	13,345
 CAPITAL AND RESERVES			
Called up share capital	9	827	827
Profit and loss account	10	45,416	12,518
 Equity shareholders' funds	11	46,243	13,345

These financial statements were approved by the board on 15 January 2013 and were signed by


D Musson
Director

IMERYS TALC UK HOLDING LIMITED
NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, as defined in Companies Act 2006 s 464, and under the historical cost accounting rules

The company is a wholly owned subsidiary of Mircal SA, incorporated in France and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group. The company has also taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1. The company is also exempt under Financial Reporting Standard 8 from disclosing related party transactions with members of the group.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. The foreign currency assets and liabilities of the Company are translated into GB Pounds Sterling at the rates ruling at the accounting reference date and any adjustment is taken to profit and loss account.

Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 OPERATING PROFIT

The Company had no employees in the period (2010: Nil). No directors received emoluments in respect of services rendered to the Company (2010: Nil).

The auditors' remuneration of £3,950 (2010: 3,950) is borne by a fellow group undertaking.

3 INTEREST RECEIVABLE & SIMILAR INCOME

	2011 £'000	2010 £'000
Interest from group undertakings	3	1
	<hr/>	<hr/>
	3	1
	<hr/>	<hr/>

IMERYS TALC UK HOLDING LIMITED
NOTES TO THE ACCOUNTS
(continued)

4 INTEREST PAYABLE & SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest to group undertakings	118	180
	<u>118</u>	<u>180</u>

5 TAXATION

	2011 £'000	2010 £'000
(a) The tax charge is made up as follows		
(i) Current tax	-	-
UK corporation tax	<u>-</u>	<u>-</u>
Total current tax charge – Note 5(b)	<u>-</u>	<u>-</u>

(b) Factors affecting the tax charge for the period

The tax assessed on the profit on ordinary activities is lower (2010 lower) than the standard rate of corporation tax in the UK of 26.5 % (2010 28%). The differences are reconciled below

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	<u>44,334</u>	<u>611</u>
Standard rate of corporation tax of 26.5% (28%)	11,748	171
Effects of		
Non-taxable impairment reversal	-	(135)
Dividends from UK companies	(11,603)	(86)
Other differences	-	50
Non-taxable gain on sale of investments	(176)	-
Losses carried forward not recognised	<u>31</u>	<u>-</u>
Total current tax charge – Note 5 (a)	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

The 2012 Budget proposes that the main rate of corporation tax will reduce by 2% to 24% from 1 April 2012 with a further 2 reductions of 1% in future years reducing the UK main rate of corporation tax to 22% from 1 April 2014

IMERYS TALC UK HOLDING LIMITED
NOTES TO THE ACCOUNTS
(continued)

6 INVESTMENTS

	Investments in subsidiary companies £'000
Cost or Valuation	
At 1 January 2011	70,343
Disposal	(28,202)
At 31 December 2011	<u>42,141</u>
Impairment	
At 1 January 2011	20,844
Disposal	(17,334)
At 31 December 2011	<u>3,510</u>
Net book value	
At 31 December 2011	<u>38,631</u>
At 1 January 2011	<u>49,499</u>

Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Luzenac Micro Milling Limited	United Kingdom	100	Dormant
Imerys Talc Mexico SA de CV	Mexico	100	Mining
Imerys Talc Europe SAS	France	100	Holding company

7 DEBTORS Amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed by group undertakings	<u>9,945</u>	<u>2,333</u>

8 CREDITORS Amounts falling due within one year

	2011 £'000	2010 £'000
Advances from group undertaking	<u>2,333</u>	<u>38,487</u>

The loan from group undertakings is non-interest bearing and repayable on demand

9 SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, issued and fully paid 826,828 Ordinary shares of £1 each	<u>827</u>	<u>827</u>

IMERYS TALC UK HOLDING LIMITED
NOTES TO THE ACCOUNTS
(continued)

10 PROFIT & LOSS RESERVE

At 1 January 2011	12,518
Profit for the year	32,898
At 31 December 2011	<u>45,416</u>

11 EQUITY SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Opening shareholders' funds	13,345	12,734
Profit for the year	<u>32,898</u>	<u>611</u>
Closing shareholders' funds	<u>46,243</u>	<u>13,345</u>

12 ULTIMATE HOLDING COMPANY

The Company is a subsidiary undertaking of Mircal SA, incorporated and registered in France

The largest and smallest group in which the results of the Company are consolidated is that headed by Imerys SA. The consolidated accounts of this group are available to the public and may be obtained from

The Secretary
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