Company Registration No. 06398227

BRITISH SALT LIMITED

Annual Report and financial statements for the year ended 31 March 2014

STRATEGIC REPORT

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activities are the manufacture, sale and distribution of salt products and the development of cavities for the purpose of natural gas storage.

Turnover in the year to 31 March 2014 was £42,366,000 (2013: £44,116,000) and the company made a profit before taxation of £8,211,000 (2013: £13,430,000). The directors do not recommend the payment of a dividend (2013: £nil).

FUTURE OUTLOOK

The directors believe that the company is well placed to take advantage of the opportunities which are expected to arise in the coming year.

As referred to in note 1, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme which seeks to limit the adverse effects on the financial performance of the company where appropriate. The company is exposed to commodity price risk as a result of its operations and seeks to mitigate this risk through various purchasing strategies. The company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The company takes out forward foreign exchange contracts where appropriate.

KEY PERFORMANCE INDICATORS ("KPIs")

Company performance is measured using a 'balanced scorecard' approach. At the start of each financial year the company sets targets relating to a number of strategic themes, including growing existing businesses, developing new businesses, delivering better value to customers, operational excellence and engaging a highly performing workforce. For each measure, the actual performance of the business is compared to the target on a regular basis and these reviews help to identify where further action is required. The directors believe that these measures represent the company's KPIs.

By order of the Board

J L Abbotts
Director
27th June 2014

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2014.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were:

J L Abbotts
J S Melia
M J Ashcroft
P P Houghton
L D Weston (resigned 31 May 2014)
L Iravanian
D P W Davies
A Runciman (appointed 25 June 2014)

EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The group has a continued commitment to communication through the use of work group meetings, newsletters, and regular financial information and consultation meetings for workplace representatives. The group will continue to enhance all communication channels to everyone in the group.

POLITICAL CONTRIBUTIONS

No donations have been made to any political party during the year (2013: £nil).

ENVIRONMENT

The group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements systems to minimise adverse effects that might be caused by its activities. The group operates in accordance with its publicly available environmental policy, which does not form part of this report. It adheres to the conditions detailed in all relevant environmental licences and permits and any other relevant legislation or regulations covering its activities or environmental impacts. Initiatives designed and implemented to manage and reduce the group's environmental footprint include investigating further reductions in emissions to air and water, reducing the amount of solid waste that is sent to landfill and improving energy use and efficiency.

AUDITOR

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

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors 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 s418 of the Companies Act 2006.

The auditor, Deloitte LLP has indicated its willingness to continue in office. Deloitte LLP has been appointed by the members and as such an annual resolution to reappoint them is not required.

By order of the Board

J L Abbotts
Director
27th June 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; 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 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 BRITISH SALT LIMITED

We have audited the financial statements of British Salt Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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 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 March 2014 and of its profit for the year 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 Strategic Report and 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 BRITISH SALT 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.

Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
30/06/ 2014

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
TURNOVER	2	42,366	44,116
Cost of sales		(22,667)	(20,208)
GROSS PROFIT		19,699	23,908
Distribution costs		(6,621)	(5,538)
Administrative expenses		(3,311)	(2,696)
Other operating income		580	-
OPERATING PROFIT	3	10,347	15,674
Income from shares in related parties	4	-	733
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		10,347	16,407
Finance charges (net)	7	(2,136)	(2,977)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,211	13,430
Tax on profit on ordinary activities	8	328	144
PROFIT FOR THE FINANCIAL YEAR	20	8,539	13,574

All operations are continuing.

The historical cost profit is identical to that disclosed above and accordingly no separate statement of historical cost profits and losses has been presented.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Profit for the financial year attributable to shareholders		8,539	13,574
Actuarial gain on pension scheme	18	111	89
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		8,650	13,663

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET
As at 31 March 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Goodwill	9	20,116	21,579
Intangible assets	10	436	532
Tangible assets	11	31,517	32,671
Investments	12	766	766
		52,835	55,548
CURRENT ASSETS			
Stock and work in progress	13	4,170	4,469
Debtors	14	65,353	46,908
Cash at bank and in hand		70	1,511
Cash in escrow		-	560
		69,593	53,448
CREDITORS: Amounts falling due within one year	15	(7,331)	(7,458)
NET CURRENT ASSETS		62,262	45,990
TOTAL ASSETS LESS CURRENT LIABILITIES		115,097	101,538
CREDITORS: Amounts falling due after more than one year	16	(76,132)	(71,095)
PROVISIONS FOR LIABILITIES AND CHARGES	17	(547)	(675)
NET ASSETS EXCLUDING PENSION ASSET		38,418	29,768
DEFINED BENEFIT PENSION ASSET	18	-	-
NET ASSETS INCLUDING PENSION ASSET		38,418	29,768
CAPITAL AND RESERVES			
Called-up share capital	19	-	-
Profit and loss account	20	38,418	29,768
SHAREHOLDER'S FUNDS	20	38,418	29,768

The accompanying notes are an integrated part of these financial statements.

The financial statements of British Salt Limited, company registration number 6398227, were approved by the Board of Directors on 27th June 2014.

Signed on behalf of the Board of Directors by:

J L Abbotts

J L Abbotts
Director

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the applicable law and United Kingdom accounting policies.. The principal accounting policies, which have been applied consistently throughout the year and prior year, are set out below.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Tata Chemicals Europe Holdings Limited which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 (revised 1996) to prepare a cash flow statement.

Going concern

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with applicable United Kingdom law and accounting standards.

The performance, financial position and the key risks impacting the company are detailed in the Strategic Report on page 1. The company is a subsidiary of Tata Chemicals Europe Holdings Limited ("TCEHL"). TCEHL and its subsidiaries (together "the subgroup") manage their financing and cash requirements on a pooled basis, allocating funds between subsidiaries to meet short and medium term requirements. As a result of this relationship, the going concern basis of preparation of the financial statements is inextricably linked with the other companies in the subgroup. Based on the strong relationship between the company and TCEHL, the directors of this company are satisfied that TCEHL, being the parent of the subgroup, will continue to manage the subgroup's financial position on this basis, and as such the directors have considered the financial position of the TCEHL subgroup..

As at 31 March 2013, the group was funded by £130,301,000 of senior debt, which consisted of a £110,301,000 term loan and a £20,000,000 revolving credit facility. Following the agreement reached with E.ON UK CHP Limited on 7 August 2013 by Tata Chemicals Europe Limited, a fellow group company, the group arranged to replace the existing funding with a new £140,000,000 bridging facility provided by Standard Chartered Bank ("SCB"), comprising a £120,000,000 term loan and a £20,000,000 revolving credit facility. This bridging facility is repayable 12 months from the draw down date of 22 November 2013. The group has an option, subject to agreement by SCB, to extend the bridging facility for a further period of 6 months. The Directors have held discussions with SCB and it is the expectation of both parties that the option granted under the bridging facility will be exercised, providing sufficient time for the group to put in place a longer-term formal banking facility.

The directors have prepared forecasts of the group's profitability and cash generation for the 12 months from the date of the Auditor's Report (the "forecasts"), taking into account the sensitivity of business performance to reasonably possible changes in market conditions and as a result of the current economic climate. These forecasts indicate that the group's facilities should be sufficient during the period. Having taken into account the forecasts and other relevant information, the directors believe that all financial covenants in respect of any new facility will be met.

In making their assessment the directors have also considered the net liability position of the group. The majority of this deficit arises due to the pension liability associated with one of the group's defined benefit schemes. There is a deficit recovery funding plan in place for the pension scheme and the expected cash flows have been factored into the forecasts.

After reviewing the forecasts and making such other enquiries as were necessary, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1. ACCOUNTING POLICIES (continued)

Goodwill

Goodwill is the difference between the cost of an acquired business and the aggregate of the fair value of that entity's identifiable assets and liabilities. Goodwill arising on acquisitions is capitalised, classified as an asset in the balance sheet and amortised on a straight line basis over its estimated useful economic life of 20 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost (including capitalised labour as appropriate), net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Mineral rights	140 years
Buildings	19 years
Plant and equipment	3 to 25 years

Assets under construction are not depreciated.

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Stock and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Pension costs

The company operates a defined benefit scheme, which is funded with the assets of the scheme held separately from those of the company, in separate trustee administered funds. The scheme is closed to new members and future accrual.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The expected return on the scheme's assets and the increase during the year in the present value of the scheme liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The company also operates a defined contribution scheme under which costs are charged to the profit and loss on the basis of the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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.

1. ACCOUNTING POLICIES (continued)

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.

Foreign currency

Transactions denominated in foreign currencies are recorded in local currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Emissions Trading Allowances

The company participates in the European Union Emissions Trading Scheme ("EU ETS") administered in the UK by the Environment Agency. In each year the company receives an allocation of allowances which are initially recorded at fair value as an intangible asset with a corresponding deferred income balance that is released over the compliance period. Additional allowances purchased are valued at cost. At the end of each accounting period the carrying value of the asset is revalued to market value with any resulting charge being recorded in the profit and loss account.

At each period end the company estimates the number of allowances which will have to be surrendered back to the Environment Agency in respect of that period. A provision based on the market value of the allowances is charged to the profit and loss account.

2. TURNOVER

Turnover comprises the value of sales, excluding VAT and other related sales taxes, of goods and services provided in the normal course of business. Turnover is recognised on despatch of goods.

The directors believe it is prejudicial to the interests of the company to provide an analysis of turnover by geographical market or activity.

3. OPERATING PROFIT

This is stated after charging:

	2014 £'000	2013 £'000
Auditor's remuneration – audit services	54	60
Auditor's remuneration – taxation compliance	12	23
Impairment of investment	-	72
Depreciation of owned fixed assets	2,364	2,628
Depreciation of leased fixed assets	29	29
Amortisation of goodwill	1,463	1,463
Loss on disposal of tangible fixed assets	-	7
Operating lease rentals – plant and machinery	119	77

The auditor received no fees in the year (2013: £nil) in respect of services other than audit and tax compliance.

4. INCOME FROM SHARES IN RELATED PARTIES

	2014 £'000	2013 £'000
Dividend received from The Block Salt Company Limited	-	100
Dividend received from Irish Feeds Limited	-	633
	-	733

5. DIRECTORS' REMUNERATION

The current directors are remunerated by a fellow group undertaking, Tata Chemicals Europe Limited.

At the end of the year, none of the directors were members of the defined benefit pension scheme operated by the company (2013: nil) and none of the directors were members of money purchase schemes operated by the company (2013: nil).

6. STAFF COSTS

	2014 £'000	2013 £'000
Wages and salaries	3,524	3,535
Social security costs	396	401
Other pension costs	455	447
	4,375	4,383

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

	2014 Number	2013 Number
Production	86	84
Sales and distribution	10	10
Administration	6	6
	102	100

7 FINANCE CHARGES (NET)

	2014 £'000	2013 £'000
Interest receivable and similar income		
Bank interest	4	4
Interest receivable from fellow group companies	-	1,845
	4	1,849
Interest payable and similar charges		
Finance lease interest	-	7
Interest payable to fellow group companies	1,962	4,730
Amortisation of capitalised borrowing costs	37	-
	1,999	4,737
Other finance costs		
Expected return on pension scheme assets (Note 18)	(926)	(906)
Interest on pension scheme liabilities (Note 18)	1,037	995
Other finance costs	30	-
	141	89
Finance charges (net)	2,136	2,977

8. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
Current tax		
United Kingdom corporation tax	-	-
Adjustments in respect of previous periods	-	(75)
Total current tax	-	(75)
Deferred tax (Note 17)		
Origination and reversal of timing differences	(328)	(69)
Total tax credit on profit on ordinary activities	(328)	(144)

Factors affecting tax charge for the year

	2014 £	2013 £
Profit on ordinary activities before tax	8,211	13,430
Profit on ordinary activities multiplied by standard rate of corporation tax in the year in the United Kingdom of 23% (2013: 24%)	1,889	3,223
Effects of:		
Income and expenses not chargeable or deductible for tax purposes	306	177
Capital allowances less than depreciation	550	213
Other short term timing differences	(46)	2
Group relief received at nil charge	(2,699)	(3,615)
Adjustment in respect of previous periods	-	(75)
Current tax credit for the year	-	(75)

Change in rate of corporation tax

During the year the UK government substantively enacted a reduction in the headline rate of UK corporation tax to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. Accordingly, the deferred tax liability has been calculated on the basis of a rate of 20%. There is no unprovided deferred tax.

9. GOODWILL

	£'000
Cost	
At 1 April 2013 and 31 March 2014	29,259
Amortisation	
On 1 April 2013	7,680
Charge for the year	1,463
At 31 March 2014	9,143
Net book value	
At 31 March 2014	20,116
At 31 March 2013	21,579

10. INTANGIBLE ASSETS

Emissions Trading Allowances

	£'000
At 1 April 2013	532
Granted in the year	292
Purchased in the year	40
Sold in the year	(272)
Revaluation to market value in the year	(156)
At 31 March 2014	436

11. TANGIBLE FIXED ASSETS

	Mineral rights £'000	Freehold land and buildings £'000	Plant and equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 April 2013	11,450	17,968	23,712	882	54,012
Additions	-	18	680	541	1,239
Transfers between categories	-	-	155	(155)	-
At 31 March 2014	11,450	17,986	24,547	1,268	55,251
Depreciation					
At 1 April 2013	1,105	8,895	11,341	-	21,341
Charge for the year	82	604	1,707	-	2,393
At 31 March 2014	1,187	9,499	13,048	-	23,734
Net book value					
At 31 March 2014	10,263	8,487	11,499	1,268	31,517
At 31 March 2013	10,345	9,073	12,371	882	32,671

Freehold land of £4,849,000 (2013: £4,849,000) included in land and buildings is not depreciated.

Included within plant and machinery are assets held under finance leases with a net book value of £54,000 (2013: £83,000).

12. INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2013 and 31 March 2014	838
Impairment	
At 1 April 2013 and 31 March 2014	72
Net book value	
At 1 April 2013 and 31 March 2014	766

The company's subsidiary undertakings at 31 March 2014, which are wholly owned, are set out below:

	Country of incorporation	Principal activity
Irish Feeds Limited	Northern Ireland	Dormant
New Cheshire Salt Works Limited	England	Sale of salt products

13. STOCK

	2014 £'000	2013 £'000
Raw materials and consumables	1,286	1,353
Work in progress	8	-
Finished goods	2,876	3,116
	4,170	4,469

There is no material difference between the balance sheet value of stocks and their replacement costs.

14. DEBTORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade debtors	4,242	4,014
Amounts due from group undertakings	58,631	38,794
Amounts due from joint venture	192	190
Other taxation and social security	190	730
Other debtors	169	311
Prepayments and accrued income	1,929	2,869
	65,353	46,908

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Obligations under finance leases (Note 16)	31	35
Trade creditors	2,566	3,701
Amounts due to group undertakings	2,410	627
Other taxation and social security	87	-
Other creditors	115	937
Accruals	2,122	2,158
	7,331	7,458

Other creditors includes £nil (2013: £560,000) payable to the British Salt Limited defined benefit pension fund (Note 18).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £'000	2013 £'000
Obligations under finance leases	21	52
Amounts due to group undertakings	76,111	71,043
	76,132	71,095

Analysis of amounts due under finance leases:	2014 £'000	2013 £'000
Amount repayable:		
Within one year	33	39
In two to five years	22	55
	55	94
Less finance charges allocated to future periods	(3)	(7)
	52	87
Analysed as:		
Amounts falling due within one year (Note 15)	31	35
Amounts falling due after more than one year	21	52
	52	87

17. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are analysed as follows:

	Carbon emissions £'000	Deferred taxation £'000	Total £'000
At 1 April 2013	87	588	675
Charged/(credited) to the profit and loss account in the year	200	(328)	(128)
At 31 March 2014	287	260	547

The deferred tax liability included in the balance sheet is as follows:

	2014 £'000	2013 £'000
Accelerated capital allowances	310	726
Other timing differences	(50)	(138)
Total	260	588

18. PENSION COMMITMENTS

Eligible employees of the salt business were members of the British Salt Retirement Income and Life Assurance Plan ("RILA") which was closed to future accrual and new members on 31 January 2008.

RILA is funded by the payment of contributions to a defined benefit scheme and separately administered trust fund. The fund is valued every three years using the projected unit method by an independent, professionally qualified actuary who has also set the contribution rates for the year.

The most recent triennial valuation was performed as at 1 January 2011. The assumptions which had the most significant effect on the results of the valuation were those relating to investment returns and price inflation. It was assumed that the investment returns would be 5.0% per annum (before and after retirement) and that price inflation (RPI) would be 3.5%.

The triennial valuation undertaken as at 1 January 2011 showed that the market value of the plan's assets was £23,005,000 and that the actuarial value of those assets represented 106% of the benefits that had accrued to members.

The next triennial valuation is currently in progress, with an effective date of 31 December 2013.

It was agreed with the Pensions Regulator that British Salt Limited would pay five instalments of £280,000 in January of each year between 2010 and 2014. No instalments remain to be paid under this arrangement.

The full actuarial valuation was updated to 31 March 2014 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2014 (p.a.)	2013 (p.a.)
Rate of increase in deferred pensions	2.6%	2.6%
Rate of increase in pensions in payment	3.2%	3.2%
Discount rate	4.5%	4.2%
RPI Inflation assumption	3.3%	3.3%
CPI Inflation assumption	2.6%	2.6%

The scheme's net pension surplus and expected rate of return on its investments were analysed as follows:

	31 March 2014		31 March 2013	
	Long term expected rate of return (p.a.)	Market value £'000	Long term expected rate of return (p.a.)	Market value £'000
Bonds	3.75%	17,611	3.75%	18,661
Gilts	2.70%	8,517	2.70%	9,447
Total market value of scheme assets		26,128		28,108
Present value of scheme liabilities		(22,193)		(24,038)
Surplus in the scheme before capping adjustment		3,935		4,070
Adjustment to cap surplus in scheme		(3,935)		(4,070)
Surplus in the scheme after capping adjustment		-		-
Less deferred taxation		-		-
Net pension asset		-		-

The company has not recognised the actuarial surplus of £3,935,000 (2013: £4,070,000) in view of the fact that it does not expect to benefit from reduced contributions or refunds from the scheme in the future. Accordingly, the scheme surplus has been capped such that no surplus or deficit is recognised.

18. PENSION COMMITMENTS (continued)

The estimated return on scheme assets for the year to 31 March 2015 is £972,000.

An analysis of the defined benefit cost is as follows:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000
Expected return on pension scheme assets	926	906
Interest on pension scheme liabilities	(973)	(995)
Expenses	(64)	-
Total other finance expense	(111)	(89)
Actual return less expected return on pension scheme assets	(1,387)	2,483
Experience (losses)/gains arising on scheme liabilities	(12)	143
Gains/(losses) arising from changes in assumptions underlying the present value of scheme liabilities	1,095	(1,951)
Pension contributions from escrow	280	280
Reversal of prior year adjustment to cap surplus in scheme	4,070	3,204
Current year adjustment to cap surplus in scheme	(3,935)	(4,070)
Actuarial gain recognised in the statement of total recognised gains and losses	111	89

Analysis of the movement in the fair value of plan assets during the year:

	£'000
At 1 April 2013	28,108
Expected return on plan assets	926
Contributions	280
Benefits paid	(1,799)
Actuarial gains/(losses)	(1,387)
At 31 March 2014	26,128

Analysis of the movement in the present value of the obligation during the year:

	£'000
At 1 April 2013	24,038
Interest cost	973
Benefits paid	(1,799)
Actuarial losses/(gains)	(1,083)
Expenses	64
At 31 March 2014	22,193

18. PENSION COMMITMENTS (continued)

History of experience gains and losses:

	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000	15 month period ended 31 March 2012 £'000	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Present value of defined benefit obligations	(22,193)	(24,038)	(22,073)	(21,092)	(21,981)
Fair value of scheme assets	26,128	28,108	25,277	23,014	22,183
Surplus in the scheme	3,935	4,070	3,204	1,922	202
Experience adjustments on scheme assets:					
Amount	(1,387)	2,483	1,733	998	1,138
Percentage of scheme assets	(5.3%)	8.8%	6.9%	4.3%	5.1%
Experience adjustments arising on scheme liabilities:					
Amount	(12)	143	(89)	925	(562)
Percentage of scheme liabilities	(0.1%)	(0.6)%	(0.4%)	4.4%	2.6%

Weighted average life expectancy for mortality tables used to determine benefit obligations at 31 December:

	2014 Male	2014 Female	2013 Male	2013 Female
Member age 65 (current life expectancy)	86.6	89.8	86.6	89.8
Member age 45 (current life expectancy)	88.3	91.7	88.3	91.7

The company also contributes to a number of defined contribution pension schemes on behalf of its employees. The main scheme is British Salt Group Stakeholder Pension Scheme which is open to all permanent employees. Total contributions to defined contribution schemes were £453,000 (2013: £447,000).

19. CALLED-UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called-up and fully-paid		
Ordinary shares of £1 each	1	1

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share capital £'000	Profit and loss account £'000	Total share-holder's funds £'000
At 1 April 2013	-	29,768	29,768
Profit for the year	-	8,539	8,539
Actuarial gain on defined benefit pension scheme	-	111	111
At 31 March 2014	-	38,418	38,418

21. FINANCIAL COMMITMENTS

a) Capital commitments

At the end of the year, capital commitments were:

	2014 £'000	2013 £'000
Contracted but not provided for	208	192

b) Lease commitments

Annual commitments under non-cancellable operating leases, none of which relate to land and buildings are as set out below:

	2014 £'000	2013 £'000
Within one year	49	-
In two to five years	77	61
	126	61

22. RELATED PARTY TRANSACTIONS

During the year, the company made sales in the normal course of business of £920,000 (2013: £953,000) and charged management fees of £20,000 (2013: £20,000) to The Block Salt Company Limited. The balance owed to the company at 31 March 2014 was £192,000 (2013: £190,000). The Block Salt Company Limited is a joint venture company in which the company has an indirect 50% interest.

23. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Cheshire Salt Limited, a company incorporated in England.

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 ultimate parent company in the year to 31 March 2014 was Tata Chemicals Limited, a company incorporated in India. The largest group in which the results of the company are consolidated is that of Tata Chemicals Limited. 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" from disclosing transactions with other wholly owned subsidiaries that are part of the Homefield Pvt UK Limited group.