

Brunner Mond Group Limited
Annual Report and Financial Statements
For The Year Ended 31 March 2017

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company acts as an intermediate holding company.

The company made a profit after taxation of £1,665,000 (2016: £3,543,000).

FUTURE OUTLOOK

No changes to the status of the company are planned for the near future.

PRINCIPAL RISKS AND FINANCIAL RISK MANAGEMENT

The entity operates as an intermediate holding company and as such no risks have been identified.

By order of the Board



J L Abbotts

Director

26 May 2017

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 March 2017.

DIRECTORS

The directors who served during the year, and thereafter were:

M J Ashcroft

J L Abbotts

GOING CONCERN

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 (note 2.2).

DIVIDENDS

The directors do not recommend the payment of a dividend, (2016: same).


AUDITOR AND STATEMENT OF DISCLOSURE TO THE AUDITOR

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

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

By order of the Board



J L Abbotts

Director

26 May 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

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 year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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.

This responsibility statement was approved by the board of directors on 26 May 2017 and is signed on its behalf by:



J L Abbotts
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUNNER MOND GROUP LIMITED

FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Brunner Mond Group Limited for the year ended 31 March 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 THE 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

BRUNNER MOND GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUNNER MOND GROUP LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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

Statutory Auditor

Manchester, UK

16 June 2017

BRUNNER MOND GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £'000's	2016 £'000's
Finance income	6	1,665	3,543
Profit on ordinary activities before taxation	5	<u>1,665</u>	<u>3,543</u>
Tax on profit ordinary activities	7	-	-
Profit for the financial year		<u><u>1,665</u></u>	<u><u>3,543</u></u>

All results arose from continuing operations.

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

There are no recognised gains and losses other than the profit for the current year and preceding year shown above. Accordingly, a statement of other comprehensive income has not been prepared.

BRUNNER MOND GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

Assets	Note	2017 £'000's	2016 £'000's
Non-current assets			
Investments	8	-	-
Current assets			
Trade and other receivables	9	72,544	70,879
Total assets being net assets		<u>72,544</u>	<u>70,879</u>
Equity and liabilities			
Equity			
Share capital	10	(63,617)	(63,617)
Retained earnings	11	(8,927)	(7,262)
Total equity and liabilities		<u>(72,544)</u>	<u>(70,879)</u>

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

The financial statements of Brunner Mond Group Limited, company registration number 03524903, were approved by the Board of Directors on 26 May 2017.

Signed on behalf of the Board of Directors by:



J L Abbotts
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital (Note 10) £'000's	Retained earnings (Note 11) £'000's	Total equity £'000's
Balance at 1 April 2015	(63,617)	(3,719)	(67,336)
Profit for the year	-	(3,543)	(3,543)
Total comprehensive income for the year	-	(3,543)	(3,543)
Balance at 1 April 2016	(63,617)	(7,262)	(70,879)
Profit for the year	-	(1,665)	(1,665)
Total comprehensive income for the year	-	(1,665)	(1,665)
Balance at 31 March 2017	(63,617)	(8,927)	(72,544)

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

1 GENERAL INFORMATION

Brunner Mond Group Limited is a private company incorporated in England, United Kingdom, under the Companies Act. The address of the company's registered office is Mond House, Winnington Lane, Northwich, Cheshire, CW8 4DT.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with, International Financial Reporting Standards, (IFRS), as adopted by the European Union, and therefore the company financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on a historical cost basis.

Group financial statements have not been prepared as permitted by section 400 of the Companies Act 2006 as the company itself is a wholly owned subsidiary of Homefield Pvt UK Limited, a body incorporated in the United Kingdom which prepares consolidated financial statements.

No Statement of Cash Flows is presented with these financial statements because the company has not held any cash in the current and prior year.

2.2 Going concern

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.

At 31 March 2017 the subgroup was funded by a £117,600,000 term loan and a £20,000,000 revolving credit facility provided by a syndicate of lenders led by Standard Chartered Bank and Credit Agricole Corporate and Investment Bank. This facility is repayable on 29 November 2020.

The directors have prepared forecasts of the subgroup'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 subgroup's facilities should be sufficient during the period.

In making their assessment the directors have also considered the net liability position of the subgroup. The majority of this deficit arises due to the pension liability associated with one of the subgroup'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, considering reasonably possible uncertainties 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 subgroup 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.

2.3 Investments

Investments in subsidiaries are shown at cost less provision for impairment.

2.4 Financial instruments

Financial assets and financial liabilities are recognised in the company's Balance Sheet when the company becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value.

The company's financial assets include trade and other receivables, which are classified as loans and receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Profit and Loss Account. The losses arising from impairment are recognised in the Profit and Loss Account in finance costs.

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

2.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the company operates and generates taxable income.

2.5 Taxation (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit and loss account. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2.6 Interest income

Interest income is recognised when it is probable that the future economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset, to that asset's net carrying amount on initial recognition.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The company has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2012 – 2014 Cycle for the first time in the current year.

At the date of authorisation of these financial statements the company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 2 (amendments)	Classification and Measurement of share-based Payment Transactions
IAS 7 (amendments)	Disclosure Initiative
IAS 12 (amendments)	Recognition of Deferred Tax for Unrealised Losses

IFRS 10 and IAS 28 (amendments) Associates or joint venture.

The directors do not expect that the adoption of the other Standards listed above will have a material impact on the financial statements of the company in future periods, except as noted below:

- IFRS 9 will impact both the measurement and disclosures of financial instruments;
- IFRS 15 may have an impact on revenue recognition and related disclosures; and
- IFRS 16 will have an impact on reported assets, liabilities, income statement and cash flows of the company. Furthermore, extensive disclosure will be required by IFRS 16.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees other than the directors during the current year and preceding year. No director received any remuneration for services to the company during the year (2016: £nil).

Auditor's remuneration for audit services for the year has been borne by a fellow group undertaking (2016: same). No remuneration has been paid in relation to non-audit services (2016: £nil).

6 FINANCE INCOME

	2017 £000's	2016 £000's
Interest receivable from fellow group undertakings	1,665	3,543

7 TAXATION

The components of tax expense for the years ended 31 March 2017 and 2016 are:

Profit and Loss Account	2017 £000's	2016 £000's
<i>Current tax:</i>		
Current tax charge	-	-
<i>Deferred tax:</i>		
Deferred tax charge	-	-
Tax expense reported in the Profit and Loss Account	-	-

The differences between the total tax and the amount calculated by applying the average rate of UK corporation tax for the year are as follows:

	2017 £000's	2016 £000's
Profit before tax	1,665	3,543
Tax on profit on ordinary activities at the average UK corporation tax rate for the year 20% (2016: 20%)	(333)	(709)
Tax effects of:		
Utilisation of tax losses	333	709
Total tax for the year	-	-

The UK government has substantively enacted the following reductions in the headline rate of UK corporation tax: 19% from 1 April 2017 to 31 March 2020 and 18% from 1 April 2020. Further legislation has been introduced in Finance Bill 2016 to reduce the headline rate to 17% from 1 April 2020.

A potential deferred asset of £4,473,000 (2016: £4,736,000) for tax losses has not been recognised because, in the opinion of the directors, there is no certainty as to the timing of utilisation of these losses.

8 INVESTMENTS

	Shares in subsidiary undertakings £000's
Cost	
At 1 April 2016 and 31 March 2017	73,518
Impairment	
At 1 April 2016 and 31 March 2017	(73,518)
Net book value	
At 1 April 2016 and 31 March 2017	<u><u>-</u></u>

All subsidiary accounts can be obtained from the registered office, Mond House, Winnington, Northwich, Cheshire, CW8 4DT.

The company's subsidiary undertakings at 31 March 2017, which are wholly owned, are set out below:

	Country of incorporation	Principal activity	% of ordinary share capital held
Tata Chemicals Europe Limited	England	Manufacture and sale of soda ash and related products	100
Winnington CHP Limited	England	Generation and sale of steam and electricity	100*
Brunner Mond Generation Company Limited	England	Dormant	100
Brunner Mond Limited	England	Dormant	100
Northwich Resource Management Limited	England	Dormant	100

* Indirect shareholding

9 TRADE AND OTHER RECEIVABLES

	2017 £000's	2016 £000's
Amounts due from group undertakings	<u>72,544</u>	<u>70,879</u>

For the purpose of financial instrument recognition, trade receivables are classified as loans and receivables and measured at amortised cost. The directors consider that the carrying value of trade and other receivables is approximately equal to the fair value.

10 CALLED-UP SHARE CAPITAL

The company has one class of ordinary share with no right to a fixed income.

	2017 £000's	2016 £000's
Authorised, issued and fully paid		
636,171,102 (2016: 636,171,102) ordinary shares of £0.10	<u>(63,617)</u>	<u>(63,617)</u>

11 RESERVES

Retained earnings represents cumulative profits or losses net of dividends paid and other adjustments.

12 CONTINGENT LIABILITIES

The company, together with certain of its fellow group undertakings, has guaranteed the amounts borrowed under the banking facilities of the group of companies headed by Tata Chemicals Europe Holdings Limited and including the company. At 31 March 2017 the amount guaranteed was £137,600,000 (2016: £140,000,000).

13 RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and outstanding balances at the reporting date:

Loans	Interest charged to related party in the year £000's	Amounts owed by related parties £000's	Amounts owed to related parties £000's
<i>Companies which are part of the Tata Chemicals Europe Holdings Limited (TCEHL) subgroup</i>			
Tata Chemicals Europe Holdings Limited			
	2017	1,665	72,544
	2016	3,543	-

Terms and conditions of transactions with related parties

Outstanding trading balances at the year end are unsecured and will be settled in cash. Within the TCEHL subgroup interest is charged at a rate that matches the rate paid on external loans and borrowings. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties (2016: £nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

14 ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Tata Chemicals Europe Holdings Limited, a company incorporated in England.

The smallest group in which the results of the company are consolidated is that of Tata Chemicals Europe Holdings Limited, a company 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 2017 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.