

**TCNA (UK) Limited**  
**Annual Report and Financial Statements**  
**For The Year Ended 31 March 2017**

TCNA (UK) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2017

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TCNA (UK) LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

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**Directors:** J M Kelghley  
R G Achter  
J P Z Schneider

**Secretary:** Sisec Limited

**Registered Office:** 21 Holborn Viaduct  
London  
EC1A 2DY

**Bankers:** The Royal Bank of Scotland  
38 Mosley Street  
Manchester  
M60 2BE

**Auditor:** Deloitte LLP  
2 Hardman Street  
Manchester  
M3 3HF

**Solicitors:** Hogan Lovells International LLP  
Atlantic House  
Holborn Viaduct  
London  
EC1A 2FG

TCNA (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company operates as a trading company. The company's principal activities are the purchase and sale of sodium carbonate (soda ash) for supply in the UK.

The company was incorporated on 22 August 2014 and commenced trading on 31 December 2015, through the purchase of soda ash from Tata Chemicals (Soda Ash) Partners in USA for sale to Tata Chemicals Europe Limited for further supply in the UK.

Company turnover for the year to 31 March 2017 was \$29,766,000 (2016: \$7,205,000) and the profit on ordinary activities before taxation was \$134,000 (2016: \$31,000). The directors do not recommend the payment of a dividend.

#### FUTURE OUTLOOK

The directors expect the company to continue to trade US produced soda ash in the UK for the foreseeable future.

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 credit risk, liquidity risk and foreign currency risk. The company's risk is managed by the Tata Chemicals NA Inc Treasury risk committee which seeks to limit the adverse effects on the financial performance of the company and subsidiary companies where appropriate.

The Tata Chemicals NA Inc 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 Tata Chemicals NA Inc company sets targets relating to a number of strategic themes, including safety and environmental performance, 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 and those of the company.

By order of the Board

J M Keighley  
Director

18 July 2017

TCNA (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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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:

J M Keighley  
R G Achter  
J P Z Schnelder

**POLITICAL CONTRIBUTIONS**

No donations were made to any political party during the year (2016: \$nil).

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The objectives and policies are detailed in note 16 of the financial statements and form part of this report by cross reference.

**ENVIRONMENT**

The company 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 company 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 company'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.

**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. Refer note 2.2 of the financial statement.

**AUDITOR AND STATEMENT OF DISCLOSURE TO THE AUDITOR**

Each person 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 company'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.

Under section 487 of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

By order of the Board

J M Keighley  
Director  
18 July 2017

TCNA (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

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The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. 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.

- 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.

By order of the Board



J M Kelghley  
Director  
July 2017

TCNA (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCNA (UK) LIMITED

FOR THE YEAR ENDED 31 MARCH 2017

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We have audited the financial statements of TCNA (UK) Limited for the year ended 31 March 2017 which comprise the Profit and loss account, the Balance Sheet, the Cash Flow Statement and the Statement of Changes in Equity and the related notes 1 to 18. 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 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.

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

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the 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.

#### 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, United Kingdom  
July 2017

TCNA (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
	Note	\$'000	\$'000
Revenue	5	29,766	7,205
Cost of sales		<u>(28,667)</u>	<u>(5,932)</u>
<b>Gross profit</b>		1,099	273
Sales & distribution costs		(901)	(271)
Administrative expenses		(109)	(36)
Other operating income	6	<u>45</u>	<u>65</u>
		(965)	(242)
<b>Operating profit</b>		134	31
Profit on ordinary activities before taxation	6	<u>134</u>	<u>31</u>
Tax on profit on ordinary activities	8	6	(6)
<b>Profit for the financial year</b>	13	<u><u>140</u></u>	<u><u>25</u></u>

The accompanying notes are an integral part of this company profit and loss account.

As the company had no gains and losses other than the profit shown above for the current and prior year, no Statement of Comprehensive Income is required.

All results arose from continuing operations.



TCNA (UK) LIMITED

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
Assets	Note	\$'000	\$'000
<b>Current assets</b>			
Inventories	9	4,472	7,835
Trade and other receivables	10	6,129	4,186
Prepayments		15	33
Cash and short term deposits	15	1,939	3,284
		<u>12,555</u>	<u>15,338</u>
<b>Total assets</b>		<u>12,555</u>	<u>15,338</u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	(12,390)	(15,313)
		<u>(12,390)</u>	<u>(15,313)</u>
<b>Net current assets</b>		<u>165</u>	<u>25</u>
<b>Total liabilities</b>		<u>(12,390)</u>	<u>(15,313)</u>
<b>Equity</b>			
Share capital	12	-	-
Retained earnings	13	(165)	(25)
Equity attributable to owners of the company		<u>(165)</u>	<u>(25)</u>
<b>Total equity and liabilities</b>		<u>(12,555)</u>	<u>(15,338)</u>

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

The financial statements of TCNA (UK) Limited, company registration number 09187647, were approved by the Board of Directors on July 2017.

Signed on behalf of the Board of Directors by:

  
J M Keighley  
Director

TCNA (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Retained earnings	Total equity
	(Note 12)	(Note 13)	
	\$'000	\$'000	\$'000
<b>Balance at 31 March 2015 (Unaudited)</b>	-	-	-
<b>Profit for the year</b>	-	25	25
<b>Total comprehensive income for the year</b>	-	25	25
<b>Balance at 31 March 2016</b>	-	25	25
<b>Profit for the year</b>	-	140	140
<b>Total comprehensive income for the year</b>	-	140	140
<b>Balance at 31 March 2017</b>	-	165	165

The accompanying notes are an integral part of this statement of changes in equity.

TCNA (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

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		2017	2016
	Note	\$'000	\$'000
Net cash (outflow)/inflow from operating activities	14	<u>(1,345)</u>	<u>3,284</u>
Net cash (outflow)/inflow before financing		<u>(1,345)</u>	<u>3,284</u>
Net (decrease)/increase in cash and cash equivalents	15	(1,345)	3,284
Cash and cash equivalents at beginning of year	10	3,284	0
Cash and cash equivalents at end of year	10	<u>1,939</u>	<u>3,284</u>

The accompanying notes are an integral part of this statement of cash flows.

**1 GENERAL INFORMATION**

TCNA (UK) Limited is a private company incorporated in England, United Kingdom, under the Companies Act. The address of the company's registered office is 21 Holborn Viaduct, London, EC1A 2DY.

The financial statements are presented in US dollars 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 accounting**

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.

**2.2 Going concern**

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

In making their assessment the directors have also considered the net asset position of the company. The main creditor of the company at 31 March 2017 is Tata Chemicals (Soda Ash) Partners. At 31 March 2017, the company owes \$11,596,000 (2016: \$13,167,000). Due to the long working capital cycle, the Managing Partner of Tata Chemicals (Soda Ash) Partners has agreed to extended credit terms on these purchases. \$5,620,000 has been repaid since 31 March 2017 and the date of the Auditor's Report.

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 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.

**2.3 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*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 cash, trade and other receivables and loans and other receivables.

*Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

*Loans and receivables*

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 income statement. The losses arising from impairment are recognised in the income statement in finance costs.

**2.3 Financial Instruments (continued)**

*b) Impairment of financial assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. A financial asset or a Company 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 Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company 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.

*c) Financial liabilities*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification as follows:

Gains or losses on liabilities held for trading are recognised in the profit or loss.

*Loans and borrowings*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost.

*d) Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2.4 Inventories**

Inventories 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 estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for obsolete, slow-moving or defective items where appropriate.

**2.5 Taxation**

*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 countries where the Company operates and generates taxable income.

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.

**2.5 Taxation (continued)**

*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.

*VAT (Value Added Tax)*

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**2.6 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

*Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

**2.7 Foreign currency**

The financial statements are presented in US Dollars, the currency of the primary economic environment in which it operates (its functional currency).

Transactions in foreign currencies are initially recorded by the company entities at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

**2.8 Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.9 Impairment of non-financial assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit and loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**3 Standards issued but not yet effective**

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

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at a currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The adoption of this amendment has had no effect on the company financial statements.

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 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;
- IFRS 16 will have an impact on reported assets, liabilities, income statement and cash flows of the company. Furthermore, the 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.



**4 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.

*Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

*Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

*Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. As the company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**5 REVENUE**

An analysis of the company's revenue, all as a result of continuing operations, by class of business is set out below:

	2017	2016
	\$000's	\$000's
Soda ash and related products	29,766	7,205

An analysis of the company's revenue by class geographical market is set out below:

	2017	2016
	\$000's	\$000's
United Kingdom	29,766	7,205

**6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after (crediting) / charging :

	2017	2016
	\$000's	\$000's
Cost of inventories recognised as an expense	28,016	6,932
Net foreign exchange (gain)/loss	(45)	(65)
Auditor's remuneration		
- Fees payable to the company's auditor for the audit of the company's accounts	65	-
- Fees payable to the company's auditor for tax compliance services to the company	11	-

**7 STAFF NUMBERS AND COSTS**

The company does not have any employees. No Director received any remuneration for services to the Company during the year.

**8 TAX**

The major components of tax (income)/expense for the years ended 31 March 2017 and 2016 are:

Profit and loss statement	2017	2016
	\$000's	\$000's
<i>Current tax:</i>		
Current tax (credit) / charge	(6)	6
<b>Total tax (income)/expense reported in profit and loss account</b>	<b>(6)</b>	<b>6</b>

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

	2017	2016
	\$000's	\$000's
Profit before tax	134	31
Tax on profit on ordinary activities at the average UK corporation tax rate for the year 20% (2016: 20%)	27	6
Tax effects of:		
Group relief claimed at nil charge	(33)	-
<b>Total tax (credit) charge for the year</b>	<b>(6)</b>	<b>6</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

## 9 INVENTORIES

	2017	2016
	\$000's	\$000's
Finished goods and goods for resale	4,472	7,835

There is no material difference between the balance sheet value of Inventories and their replacement cost.

## 10 TRADE AND OTHER RECEIVABLES

	2017	2016
	\$000's	\$000's
Trade receivables	5,514	4,186
Taxation and social security	615	-
	6,129	4,186

Trade receivables are non-interest bearing and are generally on 30-60 day terms. All customers are credit checked before acceptance. No bad debt allowance has been recognised in the year (2016: \$nil).

As at 31 March, the ageing analysis of trade receivables is as follows:

	Total \$000's	Current \$000's	< 30 days \$000's	Past due but not Impaired		
				30-60 days \$000's	61-90 days \$000's	91-120 days \$000's
31 March 2017	5,514	5,514	-	-	-	-
31 March 2016	4,186	4,186	-	-	-	-
31 March 2015	-	-	-	-	-	-

## 11 TRADE AND OTHER PAYABLES

	2017	2016
	\$000's	\$000's
Trade creditors	47	104
Other taxation and social security	-	499
Amounts owed to Group undertakings	11,596	14,119
Accruals and deferred income	747	591
	12,390	15,313

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled 30-90 days following end of month.
- The carrying value approximates the fair value.
- Amounts owed to company undertakings are non-interest bearing and repayable on demand.

12 CALLED-UP SHARE CAPITAL	2017	2016		
	\$000's	\$000's		
Authorised, issued and fully paid				
100 ordinary shares of £1 each	-	-		
The company has one class of ordinary shares which carry no right to fixed income.				
13 RETAINED EARNINGS				
	Share capital \$000's	Retained earnings \$000's	Total \$000's	
At 31 March 2015 (Unaudited)	-	-	-	
Profit for the year		25	25	
At 31 March 2016	-	25	25	
Profit for the year		140	140	
At 31 March 2017	-	165	165	
14 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS				
	2017	2016		
	\$000's	\$000's		
Operating profit	134	31		
Decrease / (increase) in inventories	3,363	(7,836)		
Increase in trade and other receivables	(1,925)	(4,218)		
(Decrease) / increase in trade and other payables	(2,917)	15,307		
	(1,345)	3,284		
15 ANALYSIS AND RECONCILIATION OF NET CASH				
	At 1 April 2016	Cash flow	Other non-cash movements	At 31 March 2017
	\$000's	\$000's	\$000's	\$000's
Cash at bank and in hand	3,284	(1,345)	-	1,939
Net cash balance	3,284	(1,345)	-	1,939
	2017	2016		
	\$000's	\$000's		
(Decrease)/increase in cash in the year	(1,345)	3,284		
Change in net cash resulting from cash flows	(1,345)	3,284		
Movement in net cash in year	(1,345)	3,284		
Net cash at 1 April	3,284	-		
Net cash at 31 March	1,939	3,284		

**16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's principal financial liabilities, comprise trade and other payables. The company has trade and other receivables and cash that arrive directly from its operations.

The company is exposed to market risk, foreign currency risk, credit risk and liquidity risk.

The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the company. The financial risk committee provides assurance to the company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and company risk appetite.

*Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, and commodity price risk. Financial instruments affected by market risk include loans and borrowings.

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a different currency from the company's functional currency).

*Liquidity risk*

The company's objective is to maintain a balance between continuity of funding and flexibility through the operating cash flows and parent company support.

*Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables).

*Trade receivables*

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. At 31 March 2017, the company had 1 customer (2016: 1 customers, 2015: 0 customers) that owed the company more than \$1 million each and accounted for approximately 100% (2016: 100%, 2015: N/A) of all receivables owing. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients.

**17 CONTINGENCIES**

There were no contingencies at 31 March 2017.

## 18 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:

		Sales to related parties \$000's	Purchases from related parties \$000's	Amounts owed by related parties \$000's	Amounts owed to related parties \$000's
Tata Chemicals Europe Limited	2017	29,766	(869)	5,514	(47)
	2016	7,205	(850)	4,186	(104)
Tata Chemicals (Soda Ash) Partners	2017	-	(22,559)	-	(11,956)
	2016	-	(13,167)	-	(13,167)
Tata Chemicals North America Limited	2017	-	-	-	-
	2016	-	-	-	(952)

*Ultimate parent*

The company's immediate parent undertaking is Tata Chemicals NA Inc, a company incorporated in USA.

The ultimate parent company in the year to 31 March 2017 was Tata Chemicals Limited, a company incorporated in India. The largest company 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.

*Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding trading balances at the year-end are unsecured and interest free. 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.

*Transactions with key management personnel*

There were no transactions with key management personnel in the year.