Company Registration No. 05608419

HOMEFIELD PVT UK LIMITED

Annual report and financial statements

For the year ended 31 March 2015

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 acts as an intermediate holding company and provider of finance to its group of trading subsidiaries. The group's principal activities are the manufacture and sale of sodium carbonate (soda ash), sodium bicarbonate, salt and related products and the generation and sale of steam and electricity.

The Strategic Report for the year ended 31 March 2014 described major changes which had taken place in the business. These changes included the termination of existing arrangements with E.ON UK CHP Limited for the purchase of steam and electricity from the Winnington power station, the acquisition of the Winnington power station by a newly incorporated group company and closure of the soda ash and calcium chloride manufacturing plants at Winnington.

The business restructuring has continued during the current year. Decommissioning of redundant assets at the Winnington site has been completed, major modifications to the Winnington sodium bicarbonate plant have improved both product quality and production capacity and the continuity of soda ash supplies to key UK customers has been maintained following the establishment and operation of a major import facility.

The Premium Ash Manufacturing (PAM) plant in Magadi, Kenya was mothballed in July 2014. Cost reduction initiatives and improved operational efficiencies have positioned Magadi for better performance in the future.

In December 2014, the group agreed to amend the terms of agreements under which it was responsible for facilitating the de-brining and conversion of salt cavities into gas storage facilities. As a result of this agreement, group income of £6,500,000 has been recognised within operating profit for the year (2014: £nil).

Group turnover for the year was £232,441,000 (2014: £265,132,000) and the loss on ordinary activities after taxation was £15,366,000 (2014: £129,726,000). The directors do not recommend the payment of a dividend (2014: £nil).

FUTURE OUTLOOK

The directors are confident that the restructuring activities of the last two years will result in a sustainable and successful future for the business.

As referred to in the statement of accounting policies, the directors have concluded that the company and the 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.

FINANCIAL RISK MANAGEMENT

The group's operations expose it to a variety of financial risks that include commodity price risk, credit risk, liquidity risk, foreign currency risk and interest rate risk. The group has in place a risk management programme which seeks to limit the adverse effects on the financial performance of the group where appropriate.

The group seeks to mitigate commodity price risk through purchasing strategies including the use of contracts for difference to hedge against exposure to fluctuating gas and heavy fuel oil prices. The gas contracts for difference held by the group had a positive fair value at 31 March 2015 of £511,000 (2014: negative fair value of £1,597,000). The heavy fuel oil hedges held by the group had a negative fair value at 31 March 2015 of £567,000 (2014: £nil). The group manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The group takes out forward foreign exchange contracts where appropriate. The forward foreign exchange contracts held by the group had a positive fair value at 31 March 2015 of £763,000 (2014: £nil). The group has hedged part of its interest rate exposure and interest rate swaps held by the group had a negative fair value at 31 March 2015 of £2,381,000 (2014: £1,510,000).

STRATEGIC REPORT (continued)

KEY PERFORMANCE INDICATORS ("KPIs")

Group performance is measured using a 'balanced scorecard' approach. At the start of each financial year the group's operating subsidiaries set 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 group's KPIs.

Approved by the Board of Directors and signed on behalf of the Board

P K Ghose
Director
28th May 2015

DIRECTORS' REPORT

The directors present their annual report on the affairs of the group, together with the audited financial statements for the year ended 31 March 2015.

DIRECTORS

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

J D Contractor
P K Ghose
M Ramakrishnan

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, 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 (2014: £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 AND STATEMENT OF DISCLOSURE TO THE AUDITOR

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

a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

b) 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 auditors 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,

P K Ghose
Director
28th May 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 group and parent company and of the profit or loss of the group and parent 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 MEMBER OF HOMEFIELD PVT UK LIMITED

We have audited the financial statements of Homefield PVT UK Limited for the year ended 31 March 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 33. 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 Statement of Directors' Responsibilities, 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 group's and parent 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 group's and of the parent company's affairs as at 31 March 2015 and of the group's loss 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 MEMBER OF HOMEFIELD PVT UK LIMITED

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 by the parent company, 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 J Farnworth BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

29/5/2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2015

	Note	2015 £'000	2014 £'000
TURNOVER			
Group and share of joint ventures		233,059	265,921
Less: share of joint ventures		(618)	(789)
GROUP TURNOVER	2	232,441	265,132
Cost of sales		(177,868)	(224,507)
GROSS PROFIT		54,573	40,625
Exceptional operating expenses	4	-	(67,754)
Other operating expenses (net)	3	(55,979)	(55,831)
Total other operating expenses		(55,979)	(123,585)
GROUP OPERATING LOSS		(1,406)	(82,960)
Exceptional items	5	653	(24,375)
Share of operating profit in joint ventures		75	49
Finance charges (net)	6	(15,186)	(21,886)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	7	(15,864)	(129,172)
Tax on loss on ordinary activities	9	498	(554)
LOSS FOR THE FINANCIAL YEAR	21,22	(15,366)	(129,726)

All results arose from continuing operations.

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

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Loss for the financial year		(15,366)	(129,726)
(Loss)/gain on foreign currency translation	21	(18,879)	8,738
Actuarial (losses)/gains on pension schemes	26	(11,183)	5,691
Deferred tax effect of actuarial (losses)/gains on pension schemes	26	2,257	(1,116)
Impact of change of tax rate on deferred tax effect of actuarial (losses)/gains on pension schemes	26	-	(1,741)
Total recognised losses relating to the year		(43,171)	(118,154)

The accompanying notes are an integral part of this consolidated statement of total recognised gains and losses.

CONSOLIDATED BALANCE SHEET
As at 31 March 2015

	Note	£'000	2015 £'000	£'000	2014 £'000
FIXED ASSETS					
Goodwill	11	18,624		19,807	
Intangible assets	12	2,308		2,487	
			20,932		22,294
Tangible assets	13		131,746		129,498
Investment in joint ventures	14				
Share of assets		379		393	
Share of liabilities		(114)		(203)	
			265		190
			152,943		151,982
CURRENT ASSETS					
Stocks	15		28,429		36,102
Debtors	16		61,080		79,270
Cash at bank and in hand			4,438		2,099
Cash in escrow	17		-		626
			93,947		118,097
CREDITORS: amounts falling due within one year	18a		(239,017)		(111,632)
NET CURRENT (LIABILITIES)/ASSETS			(145,070)		6,465
TOTAL ASSETS LESS CURRENT LIABILITIES			7,873		158,447
CREDITORS: amounts falling due after more than one year	18b		(182,307)		(286,677)
PROVISIONS FOR LIABILITIES	19		(13,591)		(26,551)
NET LIABILITIES BEFORE PENSION LIABILITY			(188,025)		(154,781)
Pension liability	26		(63,566)		(53,639)
NET LIABILITIES			(251,591)		(208,420)
CAPITAL AND RESERVES					
Called-up share capital	20		51,811		51,811
Foreign currency translation reserve	21		(758)		18,121
Profit and loss account	21		(302,644)		(278,352)
SHAREHOLDER'S DEFICIT	22		(251,591)		(208,420)

The accompanying notes are an integral part of this consolidated balance sheet.

The financial statements of Homefield Pvt UK Limited were approved by the Board of Directors on 28th May 2015 and signed on its behalf by:

P K Ghose

Director

COMPANY BALANCE SHEET
As at 31 March 2015

	Note	2015 $'000	2014 $'000 (as restated)
FIXED ASSETS			
Investments	27	6,000	6,000
CURRENT ASSETS			
Debtors	28	856	1,696
Cash at bank and in hand		1,113	248
		1,969	1,944
CREDITORS: amounts falling due within one year	29a	(3,319)	(45,965)
NET CURRENT LIABILITIES		(1,350)	(44,021)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,650	(38,021)
CREDITORS: amounts falling due after more than one year	29b	(178,355)	(129,347)
NET LIABILITIES		(173,705)	(167,368)
CAPITAL AND RESERVES			
Called-up share capital	30	102,379	102,379
Profit and loss account	31	(276,084)	(269,747)
SHAREHOLDER'S DEFICIT		(173,705)	(167,368)

The accompanying notes are an integral part of this company balance sheet.

The financial statements of Homefield Pvt UK Limited, registered number 05608419, were approved by the Board of Directors on 28th May 2015 and signed on its behalf by:

P K Ghose

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2015

	Note	2015 £'000	2014 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	23,088	19,178
EXCEPTIONAL ITEMS		(10,548)	(8,149)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(12,190)	(16,077)
Interest received		54	55
Interest element of finance lease rentals		(2)	(25)
Debt issue costs		(1,189)	(6,659)
Repayment of loan by joint venture		-	69
Receipt of cash from escrow		626	1,180
Transfer of cash into escrow		-	(626)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(12,701)	(22,083)
NET CASH OUTFLOW FROM TAXATION		(4)	(180)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(13,371)	(19,437)
Proceeds of disposal of tangible fixed assets		1,344	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(12,027)	(19,437)
NET CASH OUTFLOW BEFORE FINANCING		(9,962)	(30,671)
FINANCING			
New bank loans and loan notes		16,508	27,833
Repayment of debt and loan notes		(6,390)	(15,022)
Issue of preference shares		1,655	5,588
Capital element of finance lease rentals		(205)	(382)
Movement in funding from parent undertaking		1,503	1,285
Government grants received		2,230	-
NET CASH INFLOW FROM FINANCING		15,301	19,302
Impact of exchange rates on cash flows		(770)	(194)
INCREASE/(DECREASE) IN CASH IN THE YEAR	24	2,339	(11,563)

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the comparative year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for Emission Trading Allowances which are recorded at fair value, and have been prepared in accordance with applicable law and United Kingdom accounting standards.

The company's standalone results for Homefield Pvt UK Limited have been presented in US dollars, the functional currency of the company. The consolidated results of the Homefield Pvt UK Limited group have been presented in pounds sterling as this is the functional currency of the group.

Going concern

At 31 March 2015 the Homefield Pvt UK Limited group ("the Group") was funded by a £5,588,000 overdraft facility, £232,168,000 of senior debt, £59,563,000 of loans from parent undertakings and £44,939,000 of preference shares, as disclosed in note 18c to the financial statements. The overdraft facility was repayable on demand, with £140,000,000 of the senior debt being repayable in less than one year.

The Group is split into three subgroups, being the European subgroup headed by Tata Chemicals Europe Holdings Limited, the African subgroup headed by Tata Chemicals Africa Holdings Limited and the parent company, Homefield Pvt UK Limited ("the Company"). The financing of each of these subgroups is independent from the other subgroups and therefore the directors have considered each of these separately in performing their going concern review.

European subgroup:

As at 31 March 2015, the group was funded by a £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 on 22 November 2015. The directors have held discussions with SCB and it is the expectation of both parties that the bridging facility will be replaced by a longer-term bank facility on or prior to the repayment date.

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.

African subgroup:

The African subgroup is financed by $59,000,000 senior debt repayable in instalments from July 2018 to July 2020, all of which is guaranteed by the ultimate parent, Tata Chemicals Limited. Tata Chemicals Magadi Limited has a facility with Bank of India of $4,436,000, repayable on demand, which is secured against VAT receivable from the Kenya Revenue Authority (KRA). The African subgroup's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the African subgroup should be able to operate within the level of its current facility and continue to satisfy its covenant calculations.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

Homefield:

Homefield Pvt UK Limited is a non-trading entity and is financed by $73,000,000 of senior debt in addition to $17,850,000 preference shares and $88,171,000 of loans from parent undertakings. The company's only forecast cash outflow over the next 12 months is the payment of interest on its external debt. This is forecast to be paid via an increase in the loans from parent undertakings, in line with the year ended 31 March 2014. The interest on the loans from parent undertakings rolls up into the loan balance. Assurance is obtained for the parent company's continued support by the fact that the external borrowings are underwritten by a guarantee from Tata Chemicals Limited.

Conclusion:

In making their assessment the directors have also considered the net liability position of the group. This arises in part 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, 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 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.

Basis of consolidation

The group financial statements consolidate the financial statements of Homefield Pvt UK Limited and its subsidiary undertakings drawn up for the year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which the directors consider to be twenty years. Provision is made for any impairment.

Intangible fixed assets - Emissions Trading Allowances

The group participates in the European Union Emissions Trading Scheme ("EU ETS") administered in the UK by the Environment Agency. In each year the group 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 group 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

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:

Freehold buildings	4% to 5.3% per annum
Leasehold improvements	over term of lease
Plant and equipment	5% to 33% per annum
Mineral rights	0.7% per annum

Assets under construction are not depreciated.

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

Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

Investments in joint ventures are accounted for using the gross equity method.

Stocks

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.

Taxation

Current tax, including UK corporation tax and foreign 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 they are recognised in the financial statements.

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 substantively enacted by the balance sheet date. Deferred tax is calculated on a discounted basis.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point of goods despatch or metered supply.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

Pensions

The group operates defined benefit schemes, which are funded with the assets of the scheme held separately from those of the group, in separate trustee administered funds.

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. Any increase in the present value of liabilities of the schemes expected to arise from employee service in the period is charged against operating profit. The expected return on the schemes' assets and the increase during the period in the present value of the schemes' 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 group also operates defined contribution schemes under which costs are charged to the profit and loss on the basis of the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the group's investment in such operations, are dealt with through reserves. All other exchange differences are included in the profit and loss account.

Leases

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.

Deferred finance costs

Costs associated with raising finance are deducted from the gross proceeds in the balance sheet and amortised over the term of the relevant financing at a constant rate on the carrying amount.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to fluctuating gas prices and interest rate and foreign exchange movements. The group does not hold or issue financial instruments for speculative purposes. The group has not applied FRS 26 and so only the fair value of the financial instrument is disclosed in the accounts.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

2. SEGMENTAL INFORMATION

Contributions to turnover by the geographical location from which customers were supplied were as follows:

	2015 £'000	2014 £'000
Europe	164,687	191,360
Africa	67,754	73,772
	232,441	265,132

Contributions to turnover by the geographical location of customers were as follows:

	2015 £'000	2014 £'000
Europe	158,893	185,900
Asia	40,604	57,539
Africa	29,891	18,425
Other	3,053	3,268
	232,441	265,132

Contributions to turnover by class of business were as follows:

	2015 £'000	2014 £'000
Soda ash and related products	179,916	214,960
Salt	38,350	39,266
Steam and electricity	14,175	10,906
	232,441	265,132

3. OTHER OPERATING EXPENSES (NET)

	2015 £'000	2014 £'000
Sales and distribution costs	47,062	47,370
Administrative expenses	23,546	25,821
Other operating income	(14,629)	(17,360)
Total other operating expenses (net)	55,979	55,831

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

4. EXCEPTIONAL OPERATING EXPENSES

	2015 £'000	2014 £'000
Impairment of goodwill	-	(37,401)
Impairment of tangible fixed assets	-	(30,353)
Total exceptional operating expenses	-	(67,754)

The group conducts periodic impairment reviews which take place at least annually for each income-generating unit. At 31 March 2014 the group identified that the value of its goodwill was overstated by £37,401,000 and accordingly an impairment charge was recognised for this amount.

An impairment charge of £30,353,000 was recognised at 31 March 2014 as a result of the group's intention to mothball its Premium Ash Manufacturing (PAM) plant in Magadi, Kenya.

5. EXCEPTIONAL ITEMS

	2015 £'000	2014 £'000
Netherlands site closure costs	-	(90)
Winnington restructuring costs	653	(24,285)
	653	(24,375)

Netherlands site closure costs

In August 2009 manufacturing operations of the company's subsidiary, Brunner Mond BV, ceased at Delfzijl in The Netherlands. In December 2012 a final settlement was reached with the site owners discharging the company of all its contractual obligations relating to its previous occupation of the site.

Winnington restructuring costs

On 9 December 2013 the company announced a restructuring of its business including the closure of the soda ash and calcium chloride plants and the expansion of the sodium bicarbonate plant at Winnington. Production of soda ash at Winnington ceased on 3 February 2014.

Following an updated calculation of the restructuring provision required as at 31 March 2015, a release of £653,000 was made in the year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

6. FINANCE CHARGES (NET)

Interest receivable and similar income

	2015 £'000	2014 £'000
Bank interest received	(54)	(55)

Interest payable and similar charges

	2015 £'000	2014 £'000
Senior debt	7,178	9,607
Other bank loans and overdrafts	1,489	2,184
Amortisation of deferred finance costs	1,255	3,801
Interest payable to fellow group undertakings	2,383	1,593
Finance leases	2	25
Other interest	429	460
	12,736	17,670

Other finance costs

	2015 £'000	2014 £'000
Unwinding of discount on amounts falling due after one year	-	911
Expected return on pension scheme assets	(9,803)	(10,278)
Interest on pension scheme liabilities	11,596	11,405
Other finance costs	711	2,233
	2,504	4,271
Total finance charges (net)	15,186	21,886

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2015 £'000	2014 £'000
Depreciation of tangible fixed assets		
- owned	11,639	18,476
- held under finance leases and hire purchase contracts	118	131
Amortisation of goodwill	1,183	4,367
Gain on disposal of tangible fixed assets	(478)	-
Impairment of tangible fixed assets	-	30,353
Impairment of intangible fixed assets	-	37,401
Income received on variation of agreement relating to gas storage operations	(6,500)	-
Income recognised on termination of agreement to purchase steam and electricity	(5,575)	(16,725)
Fees payable to the company's auditor for the audit of the company	40	40
Fees payable to the company's auditor for the audit of the subsidiaries	223	191
Fees payable to the company's auditor for tax services to the group	178	78
Fees payable to the company's auditor for other services to the group	20	134
Operating lease rentals		
land and buildings	625	275
other	710	462

8. STAFF COSTS

The average monthly number of employees (including executive directors) was:

	2015 Number	2014 Number
Production	548	820
Distribution and sales	211	210
Administration	211	217
	970	1,247

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	22,321	29,430
Social security costs	1,531	1,976
Other pension costs	2,514	3,164
Less: capitalised as additions to fixed assets	(550)	(1,119)
	25,816	33,451

None of the directors received any remuneration from the group and they are remunerated by undertakings in the wider group (2014: same).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

9. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax (credit)/charge comprises:

	2015 £'000	2014 £'000
Current tax		
UK tax	-	-
Overseas tax	121	41
Share of joint venture current tax (net of consortium relief)	-	14
Adjustments in respect of previous periods	(30)	-
Total current tax charge	91	55
Deferred tax		
Origination and reversal of timing differences (Note 19)	(377)	(1,118)
Movements on pension - timing differences (Note 26)	(212)	1,040
Movements on pension - change in tax rate (Note 26)	-	594
Foreign exchange movements on overseas deferred tax	-	(9)
Share of joint venture deferred tax	-	(8)
Total deferred tax (credit)/charge	(589)	499
Total tax (credit)/charge on loss on ordinary activities	(498)	554

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(15,864)	(129,172)
Tax on loss on ordinary activities at standard UK corporation tax rate of 21% (2014: 23%)	(3,331)	(29,710)
Effects of:		
(Income not taxable)/expenses not deductible for tax purposes	(626)	5,674
Capital allowances less than/(in excess of) depreciation and impairment losses	3,225	1,939
Overseas taxation	121	41
Timing differences on pension provisions and other short term timing differences	4,016	1,180
Adjustments in respect of previous years	(30)	-
Utilisation of tax losses	(3,284)	(1,192)
Tax losses where no deferred tax asset has been recognised	-	22,109
Share of joint venture current tax	-	14
Current tax charge for the year	91	55

The group earns its profits primarily in the United Kingdom, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for United Kingdom corporation tax.

The headline rate of UK corporation tax has been reduced to 20% with effect from 1 April 2015. Accordingly, the deferred tax asset has been calculated on the basis of a rate of 20%.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

10. LOSS ON ATTRIBUTABLE TO HOMEFIELD PVT UK LIMITED

The loss for the financial year dealt with in the financial statements of the parent company, Homefield Pvt UK Limited, was $6,337,000 (2014: $80,752,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

11. GOODWILL - GROUP

	£'000
Cost	
At 1 April 2014 and 31 March 2015	98,630
Amortisation	
At 1 April 2014	78,823
Charge for the year	1,183
At 31 March 2015	80,006
Net book value	
At 31 March 2015	18,624
At 31 March 2014	19,807

12. INTANGIBLE ASSETS - GROUP

EU ETS Allowances	**£'000**
At 1 April 2014	2,487
Granted during the year	2,272
Purchased during the year	814
Surrendered during the year	(5,236)
Revalued to market value during the year	1,971
At 31 March 2015	2,308

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

13. TANGIBLE FIXED ASSETS - GROUP

	Freehold land & buildings £'000	Leasehold land & buildings £'000	Plant and equipment £'000	Mineral rights £'000	Total £'000
Cost					
At 1 April 2014	37,224	3,136	272,118	11,450	323,928
Additions	316	269	12,786	-	13,371
Disposals	-	-	(3,205)	-	(3,205)
Reclassification	(2,687)	4,007	(8,920)	-	(7,600)
Exchange adjustment	290	559	14,617	-	15,466
At 31 March 2015	35,143	7,971	287,396	11,450	341,960
Depreciation					
At 1 April 2014	18,446	2,322	172,475	1,187	194,430
Charge for the year	414	271	10,990	82	11,757
Disposals	-	-	(2,339)	-	(2,339)
Reclassification	(3,156)	3,156	(7,600)	-	(7,600)
Exchange adjustment	229	427	13,310	-	13,966
At 31 March 2015	15,933	6,176	186,836	1,269	210,214
Net book value					
At 31 March 2015	19,210	1,795	100,560	10,181	131,746
At 31 March 2014	18,778	814	99,643	10,263	129,498

Freehold land amounting to £12,849,000 (2014: £12,849,000) has not been depreciated.

Included within plant and equipment is £7,430,000 (2014: £12,414,000) of assets in the course of construction, which are not depreciated.

At 31 March 2015 plant and equipment included assets held under finance leases with a net book value of £995,000 (2014: £1,151,000).

14. INVESTMENT IN JOINT VENTURES - GROUP

	2015 £'000
At 1 April 2014	190
Share of operating profit for the financial year	75
At 31 March 2015	265

The group holds 50% of the ordinary shares of The Block Salt Company Limited, a company incorporated in England, whose principal activity is the manufacture and sale of salt products.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

15. STOCKS - GROUP

	2015 £'000	2014 £'000
Raw materials and consumables	12,600	17,283
Work-in-progress	65	867
Finished goods and goods for resale	15,764	17,952
	28,429	36,102

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

16. DEBTORS - GROUP

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	25,974	25,655
Amounts due from group undertakings	126	181
Amounts due from joint ventures	53	192
Other debtors	19,557	17,727
Prepayments and accrued income	917	1,801
Deferred tax asset (Note 19)	12,595	10,967
Gas cavity debtor	-	4,013
	59,222	60,536
Amounts falling due after one year:		
Gas cavity debtor	-	14,734
Other debtors	1,858	4,000
	61,080	79,270

17. CASH IN ESCROW - GROUP

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Deferred consideration	-	626

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

18. CREDITORS - GROUP

a) Amounts falling due within one year

	2015 £'000	2014 £'000
Senior debt and loan notes	140,000	27,065
Less senior debt unamortised issue costs	(237)	(124)
Obligations under finance leases and hire purchase contracts	-	184
Bank overdraft	8,584	7,421
Trade creditors	35,933	25,849
Corporation tax	903	815
Other taxation and social security	441	674
Amounts owed to other group undertakings	13,605	15,505
Other creditors	842	1,328
Accruals and deferred income	28,029	30,311
Deferred consideration	-	2,604
Non-cumulative redeemable preference shares	10,917	-
	239,017	111,632

b) Amounts falling due after more than one year

	2015 £'000	2014 £'000
Senior debt and loan notes	89,172	183,536
Less senior debt unamortised issue costs	(450)	(629)
Obligations under finance leases and hire purchase contracts	-	21
Amounts owed to parent undertaking	59,563	51,645
Deferred consideration	-	12,397
Non-cumulative redeemable preference shares	34,022	39,707
	182,307	286,677

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

18. CREDITORS - GROUP (continued)

c) Analysis of debt

	2015 £'000	2014 £'000
Falling due within one year:		
Bank overdraft	8,584	7,421
Senior debt owed by Tata Chemicals Europe Holdings Limited	120,000	-
Senior debt owed by Tata Chemicals Europe Limited	20,000	-
Senior debt owed by Homefield Pvt UK Limited	-	26,439
Obligations under finance leases and hire purchase contracts	-	184
Loan Notes issued by Homefield 2 UK Limited	-	626
Non-cumulative redeemable preference shares	10,917	-
	159,501	34,670

	2015 £'000	2014 £'000
Falling due after more than one year:		
Senior debt owed by Homefield Pvt UK Limited	49,315	16,825
Senior debt owed by Tata Chemicals Europe Holdings Limited	-	120,000
Senior debt owed by Tata Chemicals Europe Limited	-	20,000
Senior debt owed by Tata Chemicals Magadi Limited	39,857	26,711
Obligations under finance leases and hire purchase contracts	-	21
Non-cumulative redeemable preference shares	34,022	39,707
Amounts due to parent undertakings	59,563	51,645
	182,757	274,909
Total debt	342,258	309,579

The above are shown gross of any unamortised issue costs.

The senior debt owed by Homefield Pvt UK Limited comprises the following amounts:

(i) Term Loan: the amounts outstanding to Bank of America were $nil (£nil) at 31 March 2015 and $25,000,000 (£15,022,000) at 31 March 2014. Interest on this loan was payable based on USD LIBOR plus a margin of 2.30%. The loan was repaid in full in March 2015.

(ii) Term Loan: the amounts outstanding to Bank of America were $nil (£nil) at 31 March 2015 and $19,000,000 (£11,417,000) at 31 March 2014. Interest on this loan was payable based on USD LIBOR plus a margin of 0.80%. The loan was repaid in full in March 2015.

(iii) Term Loan: a new loan was granted during the year. The amount outstanding to Bank of America was $45,000,000 (£30,400,000) at 31 March 2015. Interest on this loan is payable based on USD LIBOR plus a margin of 1.50%. The loan is repayable in full in March 2020. The company has put in place an interest rate swap under which fixed interest of 1.7035% is paid half yearly and variable interest, calculated on the basis of the 6 month USD LIBOR interest rate, is received half yearly.

(iv) Term Loan: the amounts outstanding to Bank of America were $28,000,000 (£18,915,000) at 31 March 2015 and $28,000,000 (£16,825,000) at 31 March 2014. Interest on this loan is payable based on USD LIBOR plus a margin of 1.80%. The loan is repayable in full in March 2018. The company has put in place an interest rate swap under which fixed interest of 1.2975% is paid half yearly and variable interest, calculated on the basis of the 6 month USD LIBOR interest rate, is received half yearly.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

18. CREDITORS – GROUP (continued)

c) Analysis of debt (continued)

The senior debt owed by Tata Chemicals Europe Holdings Limited is repayable on 22 November 2015. Interest is calculated at LIBOR plus 1.6% under the terms of the loan. The company put in place an interest rate swap with effect from 18 April 2011 under which fixed interest of 2.4% is paid quarterly and variable interest, calculated on the basis of the 3 month LIBOR interest rate, is received quarterly. The notional amount of the swap at the balance sheet date was £43,500,000. The contract expires on 18 January 2016 is settled on a net basis.

The senior debt owed by Tata Chemicals Europe Limited comprises a revolving credit facility which is repayable on 22 November 2015. A maximum of £20,000,000 can be drawn down under the facility, of which £20,000,000 had been drawn down as at 31 March 2015 (2014: £20,000,000). Interest on this facility was payable at LIBOR plus 1.6%.

At 31 March 2015 the debt facilities available to Tata Chemicals Europe Holdings Limited and Tata Chemicals Europe Limited are secured by fixed and floating charges over the assets of the European sub-group.

The debt owed by Tata Chemicals Magadi Limited is as follows:

(i) $59,000,000 (£39,857,000) (2014: $40,000,000 (£24,035,000)) has been provided by Rabo Bank International. Interest on this loan is payable based on USD LIBOR plus a margin of 1.80%. The company has put in place an interest rate swap under which fixed interest of 2.53% (for the first $40,000,000) and 1.86% (for the remaining $19,000,000) is paid half yearly and variable interest, calculated on the basis of the 6 month USD LIBOR interest rate, is received half yearly. The loan is repayable in instalments commencing 17 July 2018 and ending 17 July 2020. This loan is guaranteed by Tata Chemicals Limited.

(ii) $4,436,000 (£2,997,000) (2014: $4,453,000 (£2,676,000)) has been provided by the Bank of India as a secured overdraft facility.

(iii) $8,270,000 (£5,587,000) (2014: $12,350,000 (£7,421,000)) has been provided by the Standard Chartered Bank of Kenya Limited as a secured overdraft facility.

The amounts owed to parent undertakings comprise a loan from Bio Energy Venture – 1 (Mauritius) Pvt Ltd to Homefield Pvt UK Limited. The amounts outstanding were $88,171,000 (£59,563,000) at 31 March 2015 and $85,947,000 (£51,645,000) at 31 March 2014. Interest is payable based on USD LIBOR plus a margin of 2.25%.

The non-cumulative redeemable preference shares comprise the following amounts:

(i) Preference shares from Gusiute Holdings (UK) Limited invested in Tata Chemicals Magadi Limited. The amount outstanding at 31 March 2015 was $32,512,000 (£21,963,000) (2014: $32,512,000 (£19,536,000). The preference shares attract a fixed non-cumulative dividend of 8% per annum. In the event of a winding-up, the holders are entitled to receive an amount equal to the outstanding balance of the preference shares owed and take priority over the holders of other classes of shares.

(ii) Preference shares from Bio Energy Venture – 1 (Mauritius) Pvt Ltd invested in Homefield Pvt UK Limited. The amount outstanding at 31 March 2015 was $17,850,000 (£12,058,000) and at 31 March 2014 $15,400,000 (£9,254,000). The preference shares attract a fixed non-cumulative dividend of 8% per annum. In the event of a winding-up, the holders are entitled to receive an amount equal to the outstanding balance of the preference shares owed and take priority over the holders of other classes of shares.

(iii) Preference shares from Gusiute Holdings (UK) Limited invested in Homefield 2 UK Limited. The amount outstanding at 31 March 2015 and at 31 March 2014 was £10,917,000. The preference shares attract a fixed non-cumulative dividend of 8% per annum. In the event of a winding-up, the holders are entitled to receive an amount equal to the outstanding balance of the preference shares owed and take priority over the holders of other classes of shares.

The Loan Notes of £626,000 were issued by Homefield 2 UK Limited on 30 December 2013. These were redeemable on demand at par from six months after the issue date and accordingly were fully repaid in June 2014.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

18. CREDITORS - GROUP (continued)

d) Maturity profile of debt

The maturity profile of the group's financial liabilities at 31 March 2015 was as follows:

	2015 £'000	2014 £'000
In one year or less	159,501	34,670
In more than one year but not more than two years	-	166,732
In more than two years but not more than five years	81,200	47,275
In more than five years	101,557	60,902
Total	342,258	309,579

e) Borrowing facilities

The group had no undrawn committed borrowing facilities at 31 March 2015 (2014: same).

19. PROVISION FOR LIABILITIES - GROUP

	Restructuring £'000	Power facilities closure £'000	Netherlands closure £'000	Legal costs £'000	Carbon emissions £'000	Total £'000
At 1 April 2014	17,226	1,284	1,751	500	5,790	26,551
(Credited)/charged to profit and loss during the year	(676)	-	-	-	3,476	2,800
Paid/utilised during the year	(9,245)	-	(1,000)	(280)	(5,235)	(15,760)
At 31 March 2015	7,305	1,284	751	220	4,031	13,591

The restructuring provision recognises costs to be incurred following the closure of the Winnington soda ash and calcium chloride plants (Note 5). The group expects to fully utilise the remaining provision within four years.

The power facilities closure provision recognises committed expenditure to demolish the redundant power facilities owned by the group. The group expects to complete the demolition work within ten years.

The Netherlands closure provision recognises future obligations arising as part of the closure settlement (Note 5). The group expects to fully utilise the remaining provision within one year.

The carbon emissions provision recognises the obligation to surrender allowances to the Environment Agency in respect of the 2014 calendar year and the first three months of the 2015 calendar year. The surrender in respect of the 2014 calendar year took place in April 2015. The surrender in respect of the 2015 calendar year is expected to take place in April 2016.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

19. PROVISION FOR LIABILITIES – GROUP (continued)

Deferred taxation

Deferred tax is provided as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	(12,177)	(12,805)
Other timing differences	(418)	1,933
Losses carried forward	-	(95)
Deferred tax asset	(12,595)	(10,967)

The directors have prepared forecasts of the group's profitability and cash generation for the period to March 2020, and are confident that the deferred tax asset will be recovered against future profits.

20. SHARE CAPITAL

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
51,811,320 ordinary shares of £1 each	51,811	51,811

21. RESERVES - GROUP

	Foreign currency translation reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2014	18,121	(278,352)	(260,231)
Exchange adjustment	(18,879)	-	(18,879)
Actuarial loss on pension schemes (net of deferred tax)	-	(8,926)	(8,926)
Loss for the financial year	-	(15,366)	(15,366)
At 31 March 2015	(758)	(302,644)	(303,402)

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT - GROUP

	2015 £'000	2014 £'000
Loss for the financial year	(15,366)	(129,726)
Other recognised (losses)/gains for the financial year	(27,805)	11,572
Net addition to shareholder's deficit	(43,171)	(118,154)
Opening shareholder's deficit	(208,420)	(90,266)
Closing shareholder's deficit	(251,591)	(208,420)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

23. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS - GROUP

	2015 £'000	2014 £'000
Operating loss	(1,406)	(82,960)
Depreciation and impairment of tangible fixed assets	11,757	48,960
Amortisation of goodwill	1,183	41,768
Gain on disposal of tangible fixed assets	(478)	-
Decrease/(increase) in stocks	7,673	(8,535)
Decrease in debtors	19,818	18,194
(Decrease)/increase in creditors	(13,299)	1,601
(Decrease)/increase in provisions	(1,759)	5,274
Decrease in intangible fixed assets	179	1,092
Adjustment for pension funding	(580)	(6,216)
Net cash inflow from operating activities	23,088	19,178

24. ANALYSIS AND RECONCILIATION OF NET DEBT - GROUP

	1 April 2014 £'000	Cash flow £'000	Foreign exchange and other non-cash movements £'000	31 March 2015 £'000
Cash at bank and in hand	2,099	2,339	-	4,438
Overdraft	(7,421)	2,755	(3,918)	(8,584)
Debt due after one year	(183,264)	(13,499)	107,591	(89,172)
Debt due within one year	(26,711)	-	(113,289)	(140,000)
Amounts due to parent undertaking	(51,645)	(1,503)	(6,415)	(59,563)
Non-cumulative redeemable preference shares	(39,707)	(1,655)	(3,577)	(44,939)
Finance leases	(205)	205	-	-
Loan notes	(626)	626	-	-
	(309,579)	(13,071)	(19,608)	(342,258)
Net debt	(307,480)	(10,732)	(19,608)	(337,820)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

24. ANALYSIS AND RECONCILIATION OF NET DEBT – GROUP (continued)

	2015 £'000	2014 £'000
Increase/(decrease) in cash	2,339	(11,563)
Decrease/(increase) in overdraft	2,755	(515)
Cash inflow from debt and lease financing	(15,826)	(18,787)
Change in net debt resulting from cash flows	(10,732)	(30,865)
Foreign exchange and other non-cash movements	(19,608)	13,883
Movement in net debt in year	(30,340)	(16,982)
Net debt at beginning of year	(307,480)	(290,498)
Net debt at end of year	(337,820)	(307,480)

25. FINANCIAL COMMITMENTS - GROUP

a) Capital commitments

Capital commitments are as follows:

	2015 £'000	2014 £'000
Contracted for but not provided for	1,719	2,162

b) Lease commitments

The group has entered into non-cancellable operating leases in respect of plant and machinery and buildings. The lease agreements provide that the group will pay all insurance, maintenance and repairs.

The minimum annual rentals under the leases are as follows:

	Land & Buildings		Plant & Machinery	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Operating leases which expire:				
Within one year	-	336	127	217
Between two and five years	204	-	670	404
After five years	418	196	-	-
	622	532	797	621

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

25. FINANCIAL COMMITMENTS - GROUP (continued)

c) Contingent liabilities

Kenya Revenue Authority enquiry

The Kenya Revenue Authority (KRA) has issued a demand notice to Tata Chemicals Magadi Limited following the KRA audit for the period January 2007 to September 2013. The demand relates to variances between data held by the KRA Customs Department and data held by the company, amounting to $12,000,000 (£8,107,000). Tata Chemicals Magadi Limited has made formal objections and is currently in discussion with the KRA.

26. PENSION ARRANGEMENTS

The group operates defined contribution schemes, under which costs are charged to the profit and loss account on the basis of contributions payable. The contributions for the year amounted to £936,000 (2014: £1,361,000).

The group also operates defined benefit schemes, the assets of which are held in separate trustee administered funds.

Defined benefit scheme - Tata Chemicals Europe Limited

The company operates defined benefit pension arrangements in the UK, which were available to substantially all employees but are now closed to new members. The assets of the scheme are held in separate trustee administered funds. The total employer pension contributions to the scheme in the year were £1,466,000 (2014: £6,616,000).

Results of an actuarial valuation of the scheme's assets and the present value of the defined benefit obligation at 31 December 2011 were calculated by Mercer Limited, which have been updated to 31 March 2014 by a qualified independent actuary. As part of the 2011 valuation, a new payment schedule has been agreed between the trustees of the pension scheme and the company whereby the company will make contributions from January 2016 to March 2033 to remove the deficit in the fund. The Company will also continue to make contributions towards the expenses of the fund and to cover cost of future accrual benefits for the remaining active members. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method.

The projected unit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

	Valuation at	
	2015	**2014**
Key assumptions used:		
Discount rate	3.20%	4.50%
Rate of increase of pensions in payment - LPI (5%)	2.80%	3.20%
Rate of increase of pensions in payment - LPI (2.5%)	2.10%	2.40%
Rate of increase of pensions in deferment	2.20%	2.60%
Inflation (RPI)	2.90%	3.30%
Inflation (CPI)	2.20%	2.60%

The level of salary increase is no longer applicable due to a move to a Career Average Revalued Earnings (CARE) scheme.

The weighted life expectancy for mortality tables used to determine benefit obligations are as follows:

	31 March 2015		31 March 2014	
	Male	**Female**	**Male**	**Female**
Member age 65 (current life expectancy)	21.7	25.1	21.6	24.85
Member age 40 (life expectancy at age 65)	23.9	27.5	23.8	27.25

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

26. PENSION ARRANGEMENTS (CONTINUED)

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	2015 £'000	2014 £'000
Current service cost	835	1,502
Interest costs	10,543	10,368
Expected return on scheme assets	(8,851)	(9,352)
Curtailment gain recognised	-	(1,102)
	2,527	1,416

Actuarial losses, net of deferred tax, of £8,815,000 (2014: gain of £2,723,000) have been recognised in the statement of total recognised gains and losses. The cumulative amounts of actuarial losses recognised in the statement of total recognised gains and losses since the adoption of FRS17 is £52,137,000 (2014: £43,322,000).

The actual return on scheme assets was £40,167,000 (2014: £1,991,000).

Movements in the fair value of scheme assets were as follows:

	2015 £'000	2014 £'000
At 1 April	172,380	172,799
Expected return on scheme assets	8,851	9,352
Actuarial gains/(losses)	31,316	(7,361)
Employer contributions	1,466	6,616
Contributions from scheme members	257	383
Benefits paid	(12,477)	(9,409)
At 31 March	201,793	172,380

The analysis of the scheme assets and the expected rate of return at the balance sheet date was as follows:

	Expected return		Fair value of assets	
	2015 %	2014 %	2015 £'000	2014 £'000
Equity instruments	5.80	7.00	94,843	81,019
Gilts	2.20	3.50	100,896	86,190
Property	5.80	7.00	6,054	5,171
Total fair value of assets	4.10	5.30	201,793	172,380
Actuarial value of scheme liabilities			(281,187)	(239,429)
Deficit in the scheme			(79,394)	(67,049)
Related deferred tax asset			15,879	13,410
Employer contributions to be remitted			(51)	-
Net pension liability			(63,566)	(53,639)

For the year ended 31 March 2015, the expected return on scheme assets was determined by considering the expected returns available on the assets underlying the existing investment policy. Expected yields on fixed interest investments were based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflected long term real rates of return experienced in the respective markets. This resulted in the selection of the 4.10% assumption for the year ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

26. PENSION ARRANGEMENTS (CONTINUED)

The fund was invested approximately 50% in growth assets and 50% defensive assets as at 31 March 2015. The expected return assumption of 4.10% as at 31 March 2015 is based on an expected return of 5.80% on the growth assets and 2.20% on the defensive assets. To develop the expected long term rate of return on assets assumption, the company considered the current level of expected return on risk free investments, the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the largest asset allocation to develop the expected long term rate of return on assets assumption for portfolio.

Movements in the fair value of scheme liabilities were as follows:

	2015 £'000	2014 £'000
At 1 April	239,429	250,628
Current service cost	835	1,502
Scheme curtailment	-	(1,102)
Interest cost	10,543	10,368
Contributions from scheme members	257	383
Actuarial losses/(gains)	42,600	(12,941)
Benefits paid	(12,477)	(9,409)
At 31 March	281,187	239,429

The five-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(281,187)	(239,429)	(250,628)	(218,517)	(201,131)
Fair value of scheme assets	201,793	172,380	172,799	154,632	146,263
Deficit in the scheme	(79,394)	(67,049)	(77,829)	(63,885)	(54,868)
Experience adjustments on scheme liabilities					
Amount	-	-	(7,307)	-	-
Percentage of scheme liabilities	-	-	(2.9%)	-	-
Experience adjustments on scheme assets					
Amount	(31,316)	7,361	(11,768)	(28)	(2,463)
Percentage of scheme assets (%)	(15.5%)	4.3%	(6.8%)	(0.0%)	(1.7%)

The estimated amount of employer contributions to be paid to the scheme during the year ending 31 March 2016 is £3,250,000.

Defined contribution scheme - Tata Chemicals Europe Limited

The company also operated a defined contribution scheme under which costs are charged to the profit and loss account on the basis of contributions payable. The contributions for the year amounted to £489,000 (2014: £497,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

26. PENSION ARRANGEMENTS (CONTINUED)

Defined benefit scheme - British Salt Limited

The company operates defined benefit pension arrangements in the UK. 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 31 December 2013. 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 4.1% per annum (before and after retirement) and that price inflation (RPI) would be 3.4%.

The triennial valuation undertaken as at 31 December 2013 showed that the market value of the plan's assets was £25,384,000 and that the actuarial value of those assets represented 102% of the benefits that had accrued to members.

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 2015 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2015 (p.a.)	2014 (p.a.)
Rate of increase in deferred pensions	2.2%	2.6%
Rate of increase in pensions in payment	2.8%	3.2%
Discount rate	3.2%	4.5%
RPI Inflation assumption	2.9%	3.3%
CPI Inflation assumption	2.2%	2.6%

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

	31 March 2015		31 March 2014	
	Long term expected rate of return (p.a.)	Market value £'000	Long term expected rate of return (p.a.)	Market value £'000
Bonds	4.05%	20,111	3.75%	17,611
Gilts	3.05%	9,812	2.70%	8,517
Total market value of scheme assets		29,923		26,128
Present value of scheme liabilities		(24,698)		(22,193)
Surplus in the scheme before capping adjustment		5,225		3,935
Adjustment to cap surplus in scheme		(5,225)		(3,935)
Surplus in the scheme after capping adjustment		-		-
Less deferred taxation		-		-
Net pension asset		-		-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

26. PENSION ARRANGEMENTS (CONTINUED)

The company has not recognised the actuarial surplus of £5,225,000 (2014: £3,935,000) 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.

The estimated return on scheme assets for the year to 31 March 2016 is £724,000.

An analysis of the defined benefit cost is as follows:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Expected return on pension scheme assets	952	926
Interest on pension scheme liabilities	(976)	(973)
Expenses	(77)	(64)
Total other finance expense	(101)	(111)
Actual return less expected return on pension scheme assets	3,956	(1,387)
Experience (losses)/gains arising on scheme liabilities	600	(12)
Gains/(losses) arising from changes in assumptions underlying the present value of scheme liabilities	(3,165)	1,095
Pension contributions from escrow	-	280
Reversal of prior year adjustment to cap surplus in scheme	3,935	4,070
Current year adjustment to cap surplus in scheme	(5,225)	(3,935)
Actuarial gain recognised in the statement of total recognised gains and losses	101	111

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

	2015 £'000	2014 £'000
At 1 April	26,128	28,108
Expected return on plan assets	952	926
Contributions	-	280
Benefits paid	(1,113)	(1,799)
Actuarial gains/(losses)	3,956	(1,387)
At 31 March	29,923	26,128

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

	2015 £'000	2014 £'000
At 1 April	22,193	24,038
Interest cost	976	973
Benefits paid	(1,113)	(1,799)
Actuarial losses/(gains)	2,565	(1,083)
Expenses	77	64
At 31 March	24,698	22,193

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

26. PENSION ARRANGEMENTS (CONTINUED)

History of experience gains and losses:

	Year ended 31 March 2015 £'000	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
Present value of defined benefit obligations	(24,698)	(22,193)	(24,038)	(22,073)	(21,092)
Fair value of scheme assets	29,923	26,128	28,108	25,277	23,014
Surplus in the scheme	5,225	3,935	4,070	3,204	1,922
Experience adjustments on scheme assets:					
Amount	3,956	(1,387)	2,483	1,733	998
Percentage of scheme assets	13.2%	(5.3%)	8.8%	6.9%	4.3%
Experience adjustments arising on scheme liabilities:					
Amount	600	(12)	143	(89)	925
Percentage of scheme liabilities	(2.4%)	(0.1%)	(0.6)%	(0.4%)	4.4%

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

	2015 Male	2015 Female	2014 Male	2014 Female
Member age 65 (current life expectancy)	86.6	89.7	86.6	89.8
Member age 45 (current life expectancy)	88.4	91.6	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 £211,000 (2014: £453,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

27. FIXED ASSET INVESTMENTS - COMPANY

	Investments in subsidiaries $'000
Cost	
At 1 April 2014 and at 31 March 2015	220,826
Provision for impairment	
At 1 April 2014 and at 31 March 2015	214,826
Net book value	
At 31 March 2014 and at 31 March 2015	6,000

The company conducts periodic impairment reviews which take place at least annually for each investment held. Following a review at 31 March 2015, the company concluded that the value of its investments should not be impaired further.

At 31 March 2015 the company's subsidiary undertakings and their principal activities were as follows.

*Homefield 2 UK Limited	Intermediate holding company for European sub-group
*Tata Chemicals Africa Holdings Limited	Intermediate holding company for African sub-group
Tata Chemicals Europe Holdings Limited	Intermediate holding company
Brunner Mond Group Limited	Intermediate holding company
Tata Chemicals Europe Limited	Manufacture and sale of soda ash and related products
Winnington CHP Limited	Generation and sale of steam and electricity
Cheshire Salt Holdings Limited	Intermediate holding company
Cheshire Salt Limited	Intermediate holding company
British Salt Limited	Manufacture and sale of salt and development of cavities for gas storage
New Cheshire Salt Works Limited	Intermediate holding company
Tata Chemicals Magadi Limited	Manufacture and sale of soda ash and related products
Tata Chemicals South Africa (Proprietary) Limited	Distribution of soda ash and related products

* Shares held directly by the company.

All the above subsidiary undertakings are wholly owned and incorporated in England with the exception of Tata Chemicals South Africa (Proprietary) Limited, which is incorporated in South Africa.

To avoid a statement of excessive length, details of investments which are not significant have been omitted.

28. DEBTORS - COMPANY

	2015 $'000	2014 $'000
Amounts falling due within one year:		
Amounts due from subsidiary undertakings	69	-
Amounts falling due after more than one year:		
Amounts due from subsidiary undertakings	787	1,696
Total debtors	856	1,696

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

29. CREDITORS – COMPANY

The maturity of $44,000,000 senior debt has been restated from falling due after one year to falling due within one year.

a) Amounts falling due within one year

	2015 $'000	2014 $'000 (as restated)
Senior debt and loan notes	-	44,000
Accruals and deferred income	128	88
Amounts owed to parent undertakings	3,191	1,877
	3,319	45,965

b) Amounts falling due after more than one year

	2015 $'000	2014 $'000 (as restated)
Senior debt and loan notes	73,000	28,000
Less senior debt unamortised issue costs	(666)	-
Amounts owed to parent undertakings	88,171	85,947
Non-cumulative redeemable preference shares (Note 18)	17,850	15,400
	178,355	129,347

c) Maturity profile of debt

The maturity profile of the company's financial liabilities at 31 March 2015 was as follows:

	2015 $'000	2014 $'000 (as restated)
In one year or less	-	44,000
In more than one year but not more than two years	-	-
In more than two years but not more than five years	73,000	28,000
In more than five years	17,850	15,400
Total	90,850	87,400

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2015

30. CALLED UP SHARE CAPITAL – COMPANY

	2015 $'000	2014 $'000
Allotted, called-up and fully-paid 51,811,320 ordinary shares of £1 each	102,379	102,379

31. RESERVES - COMPANY

	Profit and loss account $'000
At 1 April 2014	(269,747)
Loss for the financial year	(6,337)
At 31 March 2015	(276,084)

32. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Tata Chemicals International Pte Limited, a company incorporated in Singapore.

The ultimate parent company and controlling party in the year to 31 March 2015 was Tata Chemicals Limited, a company incorporated in India. The smallest and 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" for wholly owned subsidiaries and has not disclosed transactions within the Tata Chemicals Limited group.

33. RELATED PARTY TRANSACTIONS

During the year, the group made sales in the normal course of business of £648,000 (2014: £920,000) and charged management fees of £20,000 (2014: £20,000) to The Block Salt Company Limited. The balance owed to the group at 31 March 2015 was £53,000 (2014: £192,000). The Block Salt Company Limited is a joint venture company in which the group has an indirect 50% interest.