Company Registration No. 07462734

TATA CHEMICALS EUROPE HOLDINGS 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 operates 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, the generation and sale of steam and electricity and the development of cavities for gas storage.

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.

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 to 31 March 2015 was £164,840,000 (2014: £191,360,000) and the loss on ordinary activities before taxation was £2,938,000 (2014: £35,592,000) after taking into account exceptional income of £653,000 (2014: exceptional costs of £24,375,000). The directors do not recommend the payment of a dividend.

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 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 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 prices. The 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 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 £703,000 (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 £785,000 (2014: £1,510,000).

KEY PERFORMANCE INDICATORS ("KPIs")

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

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

M J Ashcroft
Director
18th May 2015

DIRECTORS' REPORT

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

DIRECTORS

The directors who served during the year to 31 March 2015, and thereafter were as follows:

M J Ashcroft

D L Bloomquist (resigned 1 December 2014)

P K Ghose

J J Kerrigan

E A Kshirsagar

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.

DIRECTORS' REPORT (continued)

AUDITOR AND STATEMENT OF DISCLOSURE TO THE AUDITOR

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

- as 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 provision 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.

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

M J Ashcroft
Director

18th 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 company and of the profit or loss of the group 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; 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 TATA CHEMICALS EUROPE HOLDINGS LIMITED

We have audited the financial statements of Tata Chemicals Europe Holdings 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 balance sheet, the company balance sheet, the consolidated cash flow statement, the statement of accounting policies and the related notes 1 to 26. 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 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 TATA CHEMICALS EUROPE HOLDINGS LIMITED (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

29/5/ 2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Turnover		165,458	192,149
Group and share of joint ventures		165,458	192,149
Less: share of joint ventures		(618)	(789)
Group turnover	1	164,840	191,360
Cost of sales		(144,983)	(169,533)
Gross profit		19,857	21,827
Other operating expenses (net)	2	(15,384)	(19,360)
Group operating profit		4,473	2,467
Exceptional items	3	653	(24,375)
Share of operating profit in joint ventures	12	75	49
Finance charges (net)	4	(8,139)	(13,733)
Loss on ordinary activities before taxation	5	(2,938)	(35,592)
Tax on loss on ordinary activities	7	622	(486)
Loss for the financial year	20	(2,316)	(36,078)

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

All results arose from continuing operations.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Loss for the financial year		(2,316)	(36,078)
Loss on foreign currency translation		-	(2)
Actuarial (losses)/gains on pension schemes	24	(11,183)	5,691
Deferred tax effect of actuarial (losses)/gains on pension schemes	24	2,257	(1,116)
Impact of change of tax rate on deferred tax effect of actuarial (losses)/gains on pension schemes		-	(1,741)
Total recognised losses relating to the year		(11,242)	(33,246)

CONSOLIDATED BALANCE SHEET
As at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Goodwill	9	18,624	19,807
Other intangible assets	10	2,308	2,487
Intangible assets		20,932	22,294
Tangible assets	11	119,682	116,505
Investment in joint ventures:	12		
Share of assets		379	393
Share of liabilities		(114)	(203)
		265	190
		140,879	138,989
Current assets			
Stocks	14	18,601	22,447
Debtors	15	41,438	62,368
Cash at bank and in hand		3,137	1,607
Cash in escrow	16	-	626
		63,176	87,048
Creditors: Amounts falling due within one year	17	(206,688)	(51,584)
Net current (liabilities)/assets		(143,512)	35,464
Total assets less current liabilities		(2,633)	174,453
Creditors: Amounts falling due after more than one year	17	-	(162,811)
Provisions for liabilities	18	(13,591)	(26,551)
Net liabilities before pension liability		(16,224)	(14,909)
Pension liability	24	(63,566)	(53,639)
Net liabilities after pension liability		(79,790)	(68,548)
Capital and reserves			
Called-up share capital	19	10,000	10,000
Foreign exchange reserve	20	18	18
Other reserves	20	(103,418)	(103,418)
Profit and loss account	20	13,610	24,852
Shareholder's deficit	20	(79,790)	(68,548)

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

The financial statements of Tata Chemicals Europe Holdings Limited were approved by the Board of Directors and authorised for issue on 18th May 2015 and signed on its behalf by:

M J Ashcroft

Director

COMPANY BALANCE SHEET
As at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Investments	13	66,560	113,160
Current assets			
Debtors	15	26,829	8,772
Cash in escrow	16	-	626
		26,829	9,398
Creditors: Amounts falling due within one year	17	(231,801)	(64,060)
Net current liabilities		(204,972)	(54,662)
Total assets less current liabilities		(138,412)	58,498
Creditors: Amounts falling due after more than one year	17	-	(142,790)
Net liabilities		(138,412)	(84,292)
Capital and reserves			
Called-up share capital	19	10,000	10,000
Profit and loss account	20	(148,412)	(94,292)
Shareholder's deficit	20	(138,412)	(84,292)

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

The financial statements of Tata Chemicals Europe Holdings Limited (company registration number 7462734) were approved by the Board of Directors and authorised for issue on 18th May 2015 and signed on its behalf by:

M J Ashcroft

Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2015

	Notes	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Net cash inflow from operating activities	21	25,706	13,868
Exceptional items		(10,548)	(8,149)
Returns on investments and servicing of finance			
Interest paid		(5,072)	(7,989)
Interest received		27	25
Interest element of finance lease rentals		(2)	(25)
Repayment of loan by joint venture		-	69
Debt issue costs		(873)	(814)
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		(5,294)	(8,180)
Net cash inflow from taxation		30	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(11,447)	(16,986)
Proceeds from disposal of tangible fixed assets		1,058	-
Net cash outflow from capital expenditure and financial investment		(10,389)	(16,986)
Net cash outflow before financing		(495)	(19,447)
New bank loans		-	140,000
Repayment of debt		-	(130,301)
Capital element of finance lease rentals		(205)	(382)
Government grants received		2,230	-
Net cash inflow from financing		2,025	9,317
Impact of exchange rates on cashflows		-	(2)
Increase/(decrease) in cash in the year	22	1,530	(10,132)

STATEMENT OF ACCOUNTING POLICIES
For the year ended 31 March 2015

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

Basis of preparation

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 United Kingdom law and accounting standards.

Going concern

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.

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

After reviewing the forecasts, 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 Tata Chemicals Europe Holdings 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 fixed 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.

STATEMENT OF ACCOUNTING POLICIES
For the year ended 31 March 2015

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% 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.

Pension costs

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.

Pension costs (continued)

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 currency

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
For the year ended 31 March 2015

1. SEGMENTAL INFORMATION

Geographical segments

Group turnover by the geographical location from which customers were supplied was as follows:

	2015 £'000	2014 £'000
Europe	164,840	191,360

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

	2015 £'000	2014 £'000
Europe	158,893	185,900
Asia	1,306	1,518
Africa	1,588	674
Other	3,053	3,268
	164,840	191,360

Contributions to group turnover by class of business were as follows:

	2015 £'000	2014 £'000
Soda Ash and related products	113,513	141,888
Salt	37,152	38,566
Steam and electricity	14,175	10,906
	164,840	191,360

2. OTHER OPERATING EXPENSES (NET)

	2015 £'000	2014 £'000
Sales and distribution costs	(20,089)	(24,629)
Administrative expenses	(9,859)	(12,037)
Other operating income	14,564	17,306
	(15,384)	(19,360)

3. EXCEPTIONAL ITEMS

	2015 £'000	2014 £'000
Netherlands site closure costs	-	(90)
Winnington restructuring provision release/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.

4. FINANCE CHARGES (NET)

	2015 £'000	2014 £'000
Interest receivable and similar income		
Bank interest receivable	(27)	(25)
Interest payable and similar charges		
Senior debt	4,116	7,354
Interest payable to fellow group undertakings	139	-
Amortisation of deferred finance costs	1,160	3,706
Finance leases	2	25
Other interest payable	286	4
	5,703	11,089
Other finance costs		
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	670	631
	2,463	2,669
Total finance charges (net)	8,139	13,733

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
- owned	7,581	8,264
- held under finance leases and hire purchase contracts	118	131
Amortisation of goodwill	1,183	1,182
Gain on disposal of tangible fixed assets	(487)	-
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's and its subsidiaries' accounts	131	128
Fees payable to the company's auditor for tax compliance services to the group	21	30
Fees payable to the company's auditor for other services to the group	20	133
Operating lease rentals		
- land and buildings	197	197
- other	605	462

6. STAFF COSTS

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

	2015 No.	2014 No.
Production and operations	322	450
Distribution and sales	25	34
Administration	69	71
	416	555

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	15,327	19,616
Social security costs	1,521	1,964
Other pension costs	2,273	2,766
Less: capitalised as additions to fixed assets	(550)	(1,119)
	18,571	23,227

Directors' remuneration:

	2015 £'000	2014 £'000
Aggregate emoluments	273	192
Amounts receivable under long-term incentive schemes	84	60
Non-executive directors' fees	23	14
	380	266

Highest paid director:

	2015 £'000	2014 £'000
Aggregate emoluments	273	192
Amounts receivable under long-term incentive schemes	84	60
Accrued pension at the end of the year	35	32

The number of directors who have retirement benefits accruing under a defined benefit pension scheme is 1 (2014: 1).

7. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax (credit)/charge comprises:	2015 £'000	2014 £'000
Current tax		
UK Corporation tax	-	-
Share of joint venture's current tax (net of consortium relief)	-	14
Adjustments in respect of previous periods	(30)	-
Total current tax (credit)/charge	(30)	14
Deferred tax		
Origination and reversal of timing differences	(380)	(1,154)
Movements on pension - timing differences (Note 24)	(212)	1,040
Movements on pension - change in tax rate (Note 24)	-	594
Share of joint venture's deferred tax	-	(8)
Total deferred tax	(592)	472
Total tax (credit)/charge on loss on ordinary activities	(622)	486

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:	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(2,938)	(35,592)
Tax on loss on ordinary activities at the average UK corporation tax rate for the period of 21% (2014: 23%)	(617)	(8,186)
Effects of:		
(Income not taxable)/expenses not deductible for tax purposes	(2,747)	(3,511)
Capital allowances less than depreciation	1,060	1,939
Group relief received at nil charge	(670)	-
Utilisation of tax losses brought forward	(1,041)	(1,192)
Tax losses where no deferred tax asset has been recognised	-	9,703
Timing differences on pension provisions and other short term timing differences	4,015	1,247
Adjustments in respect of previous periods	(30)	-
Share of joint venture's current tax	16	14
Consortium relief received at nil charge	(16)	-
Current tax (credit)/charge for the year	(30)	14

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%.

8. LOSS ATTRIBUTABLE TO TATA CHEMICALS EUROPE HOLDINGS LIMITED

The loss after tax for the financial period dealt with in the financial statements of the parent company, Tata Chemicals Europe Holdings Limited, for the period from 1 April 2014 until 31 March 2015, was £54,120,000 (2014: £28,457,000). No separate profit and loss account has been presented in respect of the parent company, as permitted by section 408 of the Companies Act 2006.

9. GOODWILL - GROUP

	£'000
Cost	
At 1 April 2014 and 31 March 2015	23,650
Amortisation	
At 1 April 2014	3,843
Charge for the year	1,183
At 31 March 2015	5,026
Net book value	
At 31 March 2015	18,624
At 31 March 2014	19,807

10. 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	(5,235)
Revalued to market value during the year	1,970
At 31 March 2015	2,308

11. TANGIBLE FIXED ASSETS - GROUP

	Freehold land and buildings £'000	Plant and equipment £'000	Mineral rights £'000	Total £'000
Cost				
At 1 April 2014	33,507	152,008	11,450	196,965
Additions	316	11,420	-	11,736
Disposals	-	(3,159)	-	(3,159)
Reclassifications	1,320	(1,320)	-	-
At 31 March 2015	35,143	158,949	11,450	205,542
Depreciation				
At 1 April 2014	15,519	63,754	1,187	80,460
Charge for the year	414	7,203	82	7,699
Disposals	-	(2,299)	-	(2,299)
At 31 March 2015	15,933	63,658	1,269	85,860
Net book value				
At 31 March 2015	19,210	90,291	10,181	119,682
At 31 March 2014	17,988	88,254	10,263	116,505

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

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).

Included within plant and equipment is £6,541,000 (2014: £10,572,000) of assets in the course of construction, which are not depreciated.

12. INVESTMENT IN JOINT VENTURES - GROUP

	£'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.

13. FIXED ASSET INVESTMENTS - COMPANY

	Shares in subsidiaries £'000
Cost	
At 1 April 2014 and 31 March 2015	263,595
Provision for impairment	
At 1 April 2014	150,435
Impairment charge	46,600
At 31 March 2015	197,035
Net book value	
At 31 March 2015	66,560
At 31 March 2014	113,160

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 carrying value of its investment in Brunner Mond Group Limited was overstated by £46,600,000 and accordingly an impairment charge was recognised for this amount.

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

* Brunner Mond Group Limited	Intermediate holding company
*Cheshire Salt Holdings Limited	Intermediate holding company
Tata Chemicals Europe Limited	Manufacture and sale of soda ash and related products
British Salt Limited	Manufacture and sale of salt
Winnington CHP Limited	Generation and sale of steam and electricity

* Shares held directly by the company.

All the principal subsidiary undertakings are wholly owned and incorporated in England.

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

14. STOCKS - GROUP

	2015 £'000	2014 £'000
Raw materials and consumables	8,050	8,602
Work-in-progress	47	63
Finished goods and goods for resale	10,504	13,782
	18,601	22,447

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

15. DEBTORS

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Amounts falling due within one year:				
Trade debtors	15,424	-	19,310	-
Amounts due from related parties and group undertakings	133	26,829	181	8,772
Amounts due from joint ventures	53	-	192	-
Gas cavity debtor	-	-	4,013	-
Other debtors	9,726	-	6,449	-
Prepayments and accrued income	694	-	1,718	-
Taxation and social security	950	-	801	-
Deferred tax asset (Note 18)	12,600	-	10,970	-
	39,580	26,829	43,634	8,772
Amounts falling due after more than one year:				
Gas cavity debtor	-	-	14,734	-
Other debtors	1,858	-	4,000	-
	1,858	-	18,734	-
	41,438	26,829	62,368	8,772

16. CASH IN ESCROW

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Deferred consideration	-	-	626	626

17. CREDITORS

Amounts falling due within one year

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Senior debt	140,000	120,000	-	-
Less: unamortised issue costs	(237)	(237)	-	-
Obligations under finance leases and hire purchase contracts	-	-	184	-
Trade creditors	27,856	-	20,314	-
Other taxation and social security	440	-	592	-
Other creditors	528	-	507	-
Amounts owed to related parties and group undertakings	11,707	100,709	11,788	59,627
Accruals and deferred income	15,477	412	14,969	479
Deferred consideration	-	-	3,230	3,954
Non-cumulative redeemable preference shares	10,917	10,917	-	-
	206,688	231,801	51,584	64,060

Amounts falling due after more than one year

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Compan y 2014 £'000
Senior debt	-	-	140,000	120,000
Less: unamortised issue costs	-	-	(524)	(524)
Obligations under finance leases and hire purchase contracts	-	-	21	-
Deferred consideration	-	-	12,397	12,397
Non-cumulative redeemable preference shares	-	-	10,917	10,917
	-	-	162,811	142,790

17. CREDITORS (continued)

Analysis of debt

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Falling due within one year:				
Senior debt	120,000	120,000	-	-
Revolving credit facility	20,000	-	-	-
Obligations under finance leases and hire purchase contracts	-	-	184	-
Non-cumulative redeemable preference shares	10,917	10,917	-	-
	150,917	130,917	184	-

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Falling due after more than one year:				
Senior debt	-	-	120,000	120,000
Revolving credit facility	-	-	20,000	-
Obligations under finance leases and hire purchase contracts	-	-	21	-
Non-cumulative redeemable preference shares	-	-	10,917	10,917
	-	-	150,938	130,917
Total debt	150,917	130,917	151,122	130,917

The senior debt is repayable in full in November 2015. The directors expect that this facility will be replaced by a longer-term bank facility on or prior to the repayment date. Interest is calculated at 1.6% plus LIBOR 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 and is settled on a net basis. The swap had a negative fair value at 31 March 2015 of £785,000 (2014: £1,510,000).

The revolving credit facility is repayable in full in November 2015. The directors expect that this facility will be replaced by a longer-term bank facility on or prior to the repayment date. 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%.

To the extent that they are payable, dividends on the non-cumulative redeemable preference shares accrue at the rate of 8% per annum in respect of the nominal value of the preference shares. The shares are redeemable on 30 January 2016, at par.

17. CREDITORS (continued)

Maturity profile of debt

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

	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Within one year	150,917	130,917	184	-
In more than one year but not more than two years	-	-	150,938	130,917
Total	150,917	130,917	151,122	130,917

Borrowing facilities

The group had no undrawn committed borrowing facilities at 31 March 2015.

18. PROVISIONS 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 3). 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 3). 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.

Deferred taxation

A deferred taxation asset of £12,600,000 (2014: £10,970,000) is included within "Debtors - amounts falling due within one year". Net deferred taxation is provided as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	(12,177)	(12,805)
Other timing differences	(423)	1,930
Non-trade debits carried forward	-	(95)
Net deferred tax debtor	(12,600)	(10,970)

A potential deferred tax asset for losses of £11,287,000 (2014: £11,287,000) has not been provided because in the opinion of the directors there is no certainty as to the timing of utilisation of these losses.

19. CALLED-UP SHARE CAPITAL

Group and company	2015 £'000	2014 £'000
Allotted, called-up and fully-paid		
10,000,000 ordinary shares of £1 each	10,000	10,000

20. SHAREHOLDER'S DEFICIT

Group	Share capital £'000	Foreign exchange reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 April 2014	10,000	18	(103,418)	24,852	(68,548)
Actuarial loss on pension schemes (net of deferred tax)	-	-	-	(8,926)	(8,926)
Loss for the financial year	-	-	-	(2,316)	(2,316)
At 31 March 2015	10,000	18	(103,418)	13,610	(79,790)

Company	Share Capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2014	10,000	(94,292)	(84,292)
Loss for the financial year	-	(54,120)	(54,120)
At 31 March 2015	10,000	(148,412)	(138,412)

21. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Operating profit	4,473	2,467
Depreciation of tangible fixed assets	7,699	8,396
Amortisation of goodwill	1,183	1,182
Gain on disposal of tangible fixed assets	(487)	-
Decrease/(increase) in stocks	3,846	(3,574)
Decrease in debtors	22,560	9,732
Decrease in creditors	(11,408)	(4,485)
Decrease in intangible assets	179	1,092
(Decrease)/increase in provisions	(1,759)	5,274
Adjustment for pension funding	(580)	(6,216)
Net cash inflow from operating activities	25,706	13,868

22. ANALYSIS AND RECONCILIATION OF NET DEBT

	At 1 April 2014 £'000	Cash flow £'000	Other non-cash movements £'000	At 31 March 2015 £'000
Cash at bank and in hand	1,607	1,530	-	3,137
Debt due within one year	-	-	(150,680)	(150,680)
Debt due after more than one year	(150,393)	-	150,393	-
Finance leases	(205)	205	-	-
	(150,598)	205	(287)	(150,680)
Net debt	(148,991)	1,735	(287)	(147,543)

Other non-cash movements relate to the movement in unamortised debt issue costs.

	2015 £'000	2014 £'000
Increase/(decrease) in cash in the year	1,530	(10,132)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	205	(9,317)
Change in net debt resulting from cash flows	1,735	(19,449)
Other non-cash movements	(287)	(2,892)
Movement in net debt in year	1,448	(22,341)
Net debt at 1 April 2014	(148,991)	(126,650)
Net debt at 31 March 2015	(147,543)	(148,991)

23. FINANCIAL COMMITMENTS - GROUP

Capital commitments

	2015 £'000	2014 £'000
Contracted for but not provided for	1,542	1,694

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	-	-	8	61
Between two and five years	-	-	670	404
After five years	196	196	-	-
	196	196	678	465

24. 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 £698,000 (2014: £950,000).

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 the costs 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

24. 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.

24. 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 the 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 £487,000 (2014: £497,000).

24. 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		-		-

24. 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 gains/(losses) arising on scheme liabilities	600	(12)
(Losses)/gains 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

24. 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).

25. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Homefield 2 UK Limited, a company incorporated in England.

The ultimate parent company in the year to 31 March 2015 was Tata Chemicals Limited, a company incorporated in India. The largest group in which the results of the company are consolidated is that of Tata Chemicals Limited. Copies of the accounts are available from the Company Secretary, Tata Chemicals Limited, Bombay House, Mumbai, India.

The company has taken advantage of the exemption in Financial Reporting Standard 8 "Related party disclosures" for wholly owned subsidiaries and has not disclosed transactions within the Homefield Pvt UK Limited group.

26. 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.