

**TATA CHEMICALS EUROPE 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's principal activities are the manufacture and sale of sodium carbonate (soda ash), sodium bicarbonate and related products.

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 subsidiary of the 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.

Turnover for the year was £114,301,000 (2014: £142,554,000) and the loss on ordinary activities before taxation was £5,921,000 (2014: £21,409,000) after taking into account exceptional income of £653,000 (2014: exceptional costs of £24,285,000). 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 Note 1, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme which seeks to limit the adverse effects on the financial performance of the company where appropriate. The company is exposed to commodity price risk as a result of its operations and seeks to mitigate this risk through various purchasing strategies. The company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The company takes out forward foreign exchange contracts where appropriate. The forward foreign exchange contracts held by the company had a positive fair value at 31 March 2015 of £703,000 (2014: £nil).

### KEY PERFORMANCE INDICATORS ("KPIs")

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

By order of the Board



**J L Abbotts**  
**Director**

22<sup>nd</sup> 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, and thereafter were:

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

### EMPLOYEES

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

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

### POLITICAL CONTRIBUTIONS

No donations were made to any political party during the year (2014: £nil).

### ENVIRONMENT

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

### AUDITOR AND STATEMENT OF DISCLOSURE TO THE AUDITOR

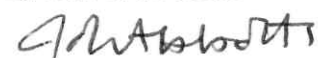
Each person who is a director at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



**J L Abbotts**  
**Director**

22<sup>nd</sup> May 2015

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TATA CHEMICALS EUROPE LIMITED**

We have audited the financial statements of Tata Chemicals Europe Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its 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**

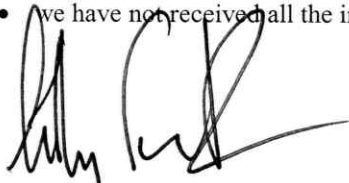
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TATA CHEMICALS EUROPE 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

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

|  | Note | 2015<br>£'000         | 2014<br>£'000          |
|--|------|-----------------------|------------------------|
| <b>TURNOVER</b>  | 2    | 114,301               | 142,554                |
| Cost of sales  |      | <u>(105,072)</u>      | <u>(129,019)</u>       |
| <b>GROSS PROFIT</b>                                    |      | 9,229                 | 13,535                 |
| Other operating expenses (net)                         | 3    | <u>(12,691)</u>       | <u>(8,786)</u>         |
| <b>OPERATING (LOSS)/PROFIT</b>                         |      | (3,462)               | 4,749                  |
| Exceptional items                                      | 4    | 653                   | (24,285)               |
| Finance charges (net)                                  | 5    | <u>(3,112)</u>        | <u>(1,873)</u>         |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 6    | (5,921)               | (21,409)               |
| Tax on loss on ordinary activities                     | 8    | <u>(1,956)</u>        | <u>(1,090)</u>         |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                     | 18   | <u><u>(7,877)</u></u> | <u><u>(22,499)</u></u> |

All results arose from continuing operations.

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

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

|  | Note | 2015<br>£'000          | 2014<br>£'000          |
|--|------|------------------------|------------------------|
| Loss for the financial year  |      | (7,877)                | (22,499)               |
| Actuarial (losses)/gains on pension schemes  | 21   | (11,284)               | 5,580                  |
| Deferred tax effect of actuarial (losses)/gains on pension schemes                                 | 21   | 2,257                  | (1,116)                |
| Impact of change of tax rate on deferred tax effect of actuarial (losses)/gains on pension schemes |      | <u>-</u>               | <u>(1,741)</u>         |
| <b>TOTAL RECOGNISED GAINS AND LOSSES<br/>RELATING TO THE YEAR</b>                                  |      | <u><u>(16,904)</u></u> | <u><u>(19,776)</u></u> |

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

**BALANCE SHEET**  
As at 31 March 2015

|  | Note | 2015<br>£'000   | 2014<br>£'000   |
|--|------|-----------------|-----------------|
| <b>FIXED ASSETS</b>  |      |                 |                 |
| Intangible assets  | 9    | 1,799           | 1,821           |
| Tangible assets  | 10   | 53,777          | 53,329          |
| Investments  | 11   | -               | -               |
|  |      | <u>55,576</u>   | <u>55,150</u>   |
| <b>CURRENT ASSETS</b>  |      |                 |                 |
| Stocks   | 12   | 14,632          | 18,277          |
| Debtors  | 13   | 41,409          | 47,427          |
| Cash at bank and in hand                                       |      | 1,251           | 1,534           |
|  |      | <u>57,292</u>   | <u>67,238</u>   |
| <b>CREDITORS:</b> amounts falling due within one year          | 14a  | <u>(77,576)</u> | <u>(46,765)</u> |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>                        |      | <u>(20,284)</u> | <u>20,473</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 35,292          | 75,623          |
| <b>CREDITORS:</b> amounts falling due after more than one year | 14b  | -               | (20,000)        |
| <b>PROVISIONS FOR LIABILITIES</b>                              | 15   | <u>(12,676)</u> | <u>(26,030)</u> |
| <b>NET ASSETS BEFORE PENSION LIABILITY</b>                     |      | <u>22,616</u>   | <u>29,593</u>   |
| Pension liability  | 21   | <u>(63,566)</u> | <u>(53,639)</u> |
| <b>NET LIABILITIES</b>   |      | <u>(40,950)</u> | <u>(24,046)</u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                 |                 |
| Called-up share capital  | 17   | 17,039          | 17,039          |
| Profit and loss account  | 18   | <u>(57,989)</u> | <u>(41,085)</u> |
| <b>SHAREHOLDER'S DEFICIT</b>                                   | 19   | <u>(49,950)</u> | <u>(24,046)</u> |

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

The financial statements of Tata Chemicals Europe Limited, company registration number 02607081, were approved by the Board of Directors on 22<sup>nd</sup> May 2015.

Signed on behalf of the Board of Directors by:



J L Abbotts  
Director



## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 March 2015**

#### **1. ACCOUNTING POLICIES**

##### **Basis of accounting**

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

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

##### **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.

The performance, financial position and the key risks impacting the company are detailed in the Strategic Report on page 1. The company is a subsidiary of Tata Chemicals Europe Holdings Limited (“TCEHL”) and acts as a guarantor and obligor to a banking facilities agreement entered into by TCEHL and certain subsidiaries (together “the subgroup”) to manage the subgroup’s financing and cash requirements on a pooled basis. As a result of this relationship, the going concern basis of preparation of the financial statements is inextricably linked with the other companies in the subgroup. Based on the strong relationship between the company and TCEHL, the directors of this company are satisfied that TCEHL, being the parent of the subgroup, will continue to manage the subgroup’s financial position on this basis, and as such the directors have considered the financial position of the TCEHL subgroup.

At 31 March 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.

##### **Fixed asset investments in subsidiary undertakings**

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### For the 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% per annum        |
| Plant and machinery | 5% to 33% per annum |

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

##### 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 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 substantially enacted by the balance sheet date. Deferred tax is calculated on a non-discounted basis.

##### 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. All exchange differences are included in the profit and loss account.

##### Turnover

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**1. ACCOUNTING POLICIES (continued)**

**Pensions**

The company operates a defined benefit scheme, which is funded with the assets of the scheme held separately from those of the company, in separate trustee administered funds.

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 company's defined benefit pension scheme 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 scheme liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

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

**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.

**Emissions Trading Allowances**

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

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**2. TURNOVER**

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

|        | <b>2015</b>    | <b>2014</b>    |
|--------|----------------|----------------|
|        | <b>£'000</b>   | <b>£'000</b>   |
| Europe | 109,861        | 138,182        |
| Other  | 4,440          | 4,372          |
|        | <u>114,301</u> | <u>142,554</u> |

All turnover arises from the principal activity of the company.

**3. OTHER OPERATING EXPENSES (NET)**

|                                 | <b>2015</b>     | <b>2014</b>    |
|---------------------------------|-----------------|----------------|
|                                 | <b>£'000</b>    | <b>£'000</b>   |
| Selling and distribution costs  | (13,199)        | (18,008)       |
| Administrative expenses         | (5,067)         | (7,503)        |
| Other operating income (Note 6) | 5,575           | 16,725         |
|                                 | <u>(12,691)</u> | <u>(8,786)</u> |

**4. EXCEPTIONAL ITEMS**

|  | <b>2015</b>  | <b>2014</b>     |
|--|--------------|-----------------|
|  | <b>£'000</b> | <b>£'000</b>    |
| Winnington restructuring provision release/costs (Note 15) | <u>653</u>   | <u>(24,285)</u> |

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 (continued)**  
**For the year ended 31 March 2015**

**5. FINANCE CHARGES (NET)**

**Interest receivable and similar income**

|  | <b>2015</b>  | <b>2014</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Bank interest receivable                           | (21)         | (20)         |
| Interest receivable from fellow group undertakings | -            | (211)        |
|  | <u>(21)</u>  | <u>(231)</u> |

**Interest payable and similar charges**

|   | <b>2015</b>  | <b>2014</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Senior debt                                   | 410          | 646          |
| Amortisation of deferred finance costs        | 125          | 32           |
| Interest payable to fellow group undertakings | 604          | 310          |
| Finance leases                                | 2            | 25           |
| Other interest payable                        | 10           | -            |
|   | <u>1,151</u> | <u>1,013</u> |

**Other finance costs**

|  | <b>2015</b>  | <b>2014</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Expected return on pension scheme assets (Note 21) | (8,851)      | (9,352)      |
| Interest on pension scheme liabilities (Note 21)   | 10,543       | 10,368       |
| Other finance costs                                | 290          | 75           |
|  | <u>1,982</u> | <u>1,091</u> |
| Finance charges (net)                              | <u>3,112</u> | <u>1,873</u> |

**6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

|  | <b>2015</b>  | <b>2014</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Depreciation of tangible fixed assets  |              |              |
| - owned  | 4,602        | 5,079        |
| - held under finance leases  | 102          | 102          |
| Gain on disposal of tangible fixed assets  | (463)        | -            |
| Rental of land and buildings under operating leases                                  | 197          | 197          |
| Hire of plant and machinery under operating leases                                   | 522          | 343          |
| Income recognised on termination of agreement to purchase steam and electricity      | (5,575)      | (16,725)     |
| Auditors' remuneration:  |              |              |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 69           | 74           |
| Fees payable to the company's auditor for tax compliance services                    | 11           | 18           |
| Fees payable to the company's auditor for other services                             | 20           | 133          |
|  | <u>20</u>    | <u>133</u>   |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**7. STAFF COSTS**

Particulars of employees (including executive directors) are as shown below:

|   | <b>2015</b>   | <b>2014</b>   |
|---|---------------|---------------|
|   | <b>£'000</b>  | <b>£'000</b>  |
| Employee costs during the year amounted to:             |               |               |
| Wages and salaries                                      | 11,881        | 15,931        |
| Social security costs                                   | 1,184         | 1,550         |
| Other pension costs                                     | 2,062         | 2,283         |
| Less: capitalised as additions to tangible fixed assets | (550)         | (1,119)       |
|   | <u>14,577</u> | <u>18,645</u> |

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

|                        | <b>2015</b>   | <b>2014</b>   |
|------------------------|---------------|---------------|
|                        | <b>Number</b> | <b>Number</b> |
| Production             | 240           | 364           |
| Sales and distribution | 21            | 24            |
| Administration         | 62            | 65            |
|                        | <u>323</u>    | <u>453</u>    |

Directors' remuneration:

|   | <b>2015</b>  | <b>2014</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Aggregate emoluments                                    | 1,109        | 883          |
| Amounts receivable under long-term incentive schemes    | 275          | 185          |
| Company contributions to money purchase pension schemes | 29           | 20           |
| Compensation for loss of office                         | 184          | -            |
|   | <u>1,597</u> | <u>1,088</u> |

Highest paid director:

|  | <b>2015</b>  | <b>2014</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Aggregate emoluments                                 | 273          | 192          |
| Amounts receivable under long-term incentive schemes | 84           | 60           |
| Accrued pension at the end of the year               | 35           | 32           |
|  | <u>392</u>   | <u>284</u>   |

The number of directors who have retirement benefits accruing under a defined benefit pension scheme is 5 (2014: 5). The number of directors who are members of a money purchase pension scheme is 3 (2014: 2).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**8. TAX ON LOSS ON ORDINARY ACTIVITIES**

The tax charge comprises:

|  | <b>2015</b>    | <b>2014</b>    |
|--|----------------|----------------|
|  | <b>£'000</b>   | <b>£'000</b>   |
| <b>Current tax</b>                                     |                |                |
| UK corporation tax                                     | -              | -              |
| Origination and reversal of timing differences         | (2,168)        | 544            |
| Movements in pension provision - timing differences    | 212            | (1,040)        |
| Movements in pension provision - change in tax rate    | -              | (594)          |
| <b>Total deferred tax</b>                              | <b>(1,956)</b> | <b>(1,090)</b> |
| <b>Total tax charge on loss on ordinary activities</b> | <b>(1,956)</b> | <b>(1,090)</b> |

The difference 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 is as follows:

|  | <b>2015</b>  | <b>2014</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Loss on ordinary activities before taxation  | (5,921)      | (21,409)     |
| Tax on loss on ordinary activities at standard UK corporation tax rate of 21%<br>(2014: 23%) | (1,243)      | (4,924)      |
| Effects of:  |              |              |
| (Income not taxable)/expenses not deductible for tax purposes                                | (1,036)      | (3,841)      |
| Capital allowances less than depreciation  | 793          | 1,192        |
| Group relief surrendered at nil charge   | 1,727        | -            |
| Tax losses where no deferred tax asset has been recognised                                   | -            | 7,290        |
| Other short term timing differences  | (241)        | 283          |
| <b>Current tax charge for the year</b>   | <b>-</b>     | <b>-</b>     |

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%. Deferred tax assets for trading losses amounting to £1,601,000 (2014: £1,601,000) have not been provided because in the opinion of the directors there is no certainty as to the timing of utilisation of these losses.

**9. INTANGIBLE ASSETS**

| <b>EU ETS Allowances</b>             | <b>£'000</b> |
|--------------------------------------|--------------|
| At 1 April 2014                      | 1,821        |
| Granted in the year                  | 1,763        |
| Purchased in the year                | 1,054        |
| Surrendered in the year              | (4,727)      |
| Revalued to market value in the year | 1,888        |
| <b>At 31 March 2015</b>              | <b>1,799</b> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**10. TANGIBLE FIXED ASSETS**

|                       | <b>Freehold<br/>land and<br/>buildings<br/>£'000</b> | <b>Plant and<br/>machinery<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-----------------------|--|--|------------------------|
| <b>Cost</b>           |  |  |                        |
| At 1 April 2014       | 15,447   | 91,959                                   | 107,406                |
| Additions             | 297  | 5,677                                    | 5,974                  |
| Disposals             | -  | (3,038)                                  | (3,038)                |
| Reclassification      | 1,320  | (1,320)                                  | -                      |
| At 31 March 2015      | <u>17,064</u>  | <u>93,278</u>                            | <u>110,342</u>         |
| <b>Depreciation</b>   |  |  |                        |
| At 1 April 2014       | 6,020  | 48,057                                   | 54,077                 |
| Charge for the year   | 82   | 4,622                                    | 4,704                  |
| Disposals             | -  | (2,216)                                  | (2,216)                |
| At 31 March 2015      | <u>6,102</u>   | <u>50,463</u>                            | <u>56,565</u>          |
| <b>Net book value</b> |  |  |                        |
| At 31 March 2015      | <u>10,962</u>  | <u>42,815</u>                            | <u>53,777</u>          |
| At 31 March 2014      | <u>9,427</u>   | <u>43,902</u>                            | <u>53,329</u>          |

Freehold land amounting to £8,000,000 (2014: £8,000,000) has not been depreciated.

At 31 March 2015 tangible fixed assets included assets held under finance leases and hire purchase contracts with a net book value of £995,000 (2014: £1,097,000) and a gross cost of £1,530,000 (2014: £1,530,000).

Included within plant and equipment is £2,858,000 (2014: £8,093,000) of assets in the course of construction, which are not depreciated.

**11. INVESTMENTS**

The company has a £1 shareholding in its subsidiary undertaking, Winnington CHP Limited. Winnington CHP Limited is wholly owned by the company and is incorporated in the United Kingdom. Its principal activity is the generation and sale of steam and electricity.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**12. STOCK**

|                                     | <b>2015</b>   | <b>2014</b>   |
|-------------------------------------|---------------|---------------|
|                                     | <b>£'000</b>  | <b>£'000</b>  |
| Raw materials and consumables       | 6,528         | 7,315         |
| Work-in-progress                    | 37            | 55            |
| Finished goods and goods for resale | 8,067         | 10,907        |
|                                     | <u>14,632</u> | <u>18,277</u> |

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

**13. DEBTORS**

| Amounts falling due within one year: | <b>2015</b>   | <b>2014</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>£'000</b>  | <b>£'000</b>  |
| Trade debtors                        | 11,756        | 14,674        |
| Amounts due from group undertakings  | 8,255         | 7,466         |
| Other debtors                        | 6,190         | 4,929         |
| Deferred tax asset (Note 16)         | 13,008        | 15,176        |
| Prepayments and accrued income       | 342           | 1,182         |
|                                      | <u>39,551</u> | <u>43,427</u> |

Amounts falling due after one year:

|               | <b>2015</b>  | <b>2014</b>  |
|---------------|--------------|--------------|
|               | <b>£'000</b> | <b>£'000</b> |
| Other debtors | <u>1,858</u> | <u>4,000</u> |

**14. CREDITORS**

| a) Amounts falling due within one year            | <b>2015</b>   | <b>2014</b>   |
|---|---------------|---------------|
|   | <b>£'000</b>  | <b>£'000</b>  |
| Revolving credit facility                         | 20,000        | -             |
| Obligations under finance leases                  | -             | 153           |
| Trade creditors                                   | 15,754        | 14,741        |
| Amounts owed to group undertakings                | 34,244        | 23,856        |
| Other creditors including tax and social security | 1,453         | 949           |
| Accruals and deferred income                      | 6,125         | 7,066         |
|   | <u>77,576</u> | <u>46,765</u> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**14. CREDITORS (continued)**

b) Amounts falling due after more than one year

|                           | 2015<br>£'000 | 2014<br>£'000 |
|---------------------------|---------------|---------------|
| Revolving credit facility | -             | 20,000        |

c) Maturity of financial liabilities

The maturity profile of the company's bank loan and obligations under finance leases at 31 March 2015 and 31 March 2014 was as follows:

|   | 2015<br>£'000 | 2014<br>£'000 |
|---|---------------|---------------|
| In one year or less                               | 20,000        | 153           |
| In more than one year but not more than two years | -             | 20,000        |
|   | <u>20,000</u> | <u>20,153</u> |

*Borrowing facilities*

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. Interest on this facility is payable based on LIBOR plus a margin of 1.6% (2014: 1.6%). At 31 March 2015, £nil (2014: £nil) of undrawn committed borrowing facilities was available for general corporate purposes.

The revolving credit facility is provided by Standard Chartered Bank and is secured by a fixed and floating charge over the assets of the company and other group companies within the Tata Chemicals Europe Holdings Limited group.

Finance leases were secured over the assets to which they relate.

**15. PROVISIONS FOR LIABILITIES**

|                          | Power<br>facilities<br>closure<br>£'000 | Netherlands<br>closure<br>£'000 | Legal costs<br>£'000 | Carbon<br>emissions<br>£'000 | Restructuring<br>£'000 | Total<br>£'000 |
|--------------------------|---|---------------------------------|----------------------|------------------------------|------------------------|----------------|
| At 1 April 2014          | 1,284                                   | 1,751                           | 500                  | 5,269                        | 17,226                 | 26,030         |
| Created during the year  | -                                       | -                               | -                    | 2,574                        | -                      | 2,574          |
| Utilised during the year | -                                       | (1,000)                         | (280)                | (4,727)                      | (9,245)                | (15,252)       |
| Released during the year | -                                       | -                               | -                    | -                            | (676)                  | (676)          |
| At 31 March 2015         | <u>1,284</u>                            | <u>751</u>                      | <u>220</u>           | <u>3,116</u>                 | <u>7,305</u>           | <u>12,676</u>  |

The restructuring provision recognises costs to be incurred following the closure of the Winnington soda ash and calcium chloride plants (Note 4). The company 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 company expects to complete the demolition work within ten years.

The Netherlands closure provision recognises future obligations arising as part of the closure settlement. The company 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 (continued)**  
**For the year ended 31 March 2015**

**16. DEFERRED TAXATION**

The deferred taxation asset is included within “Debtors - amounts falling due within one year” and is provided as follows:

|                                | <b>2015</b>   | <b>2014</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>£'000</b>  | <b>£'000</b>  |
| Accelerated capital allowances | 12,585        | 13,114        |
| Other timing differences       | 423           | 2,062         |
|                                | <u>13,008</u> | <u>15,176</u> |

The movement on the deferred tax asset during the year is as follows:

|                     | <b>£'000</b>  |
|---------------------|---------------|
| At 1 April 2014     | 15,176        |
| Charge for the year | (2,168)       |
| At 31 March 2015    | <u>13,008</u> |

**17. CALLED-UP SHARE CAPITAL**

|  | <b>2015</b>       | <b>2014</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| <b>Allotted, called-up and fully paid</b>                |                   |                   |
| 17,038,995 (2014: 17,038,995) ordinary shares of £1 each | <u>17,038,995</u> | <u>17,038,995</u> |

**18. RESERVES**

|  | <b>Profit and loss account</b> |
|--|--------------------------------|
|  | <b>£'000</b>                   |
| At 1 April 2014  | (41,085)                       |
| Loss for the year  | (7,877)                        |
| Other recognised gains and losses relating to the year (net) | (9,027)                        |
| At 31 March 2015   | <u>(57,989)</u>                |

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT**

|  | <b>2015</b>     | <b>2014</b>     |
|--|-----------------|-----------------|
|  | <b>£'000</b>    | <b>£'000</b>    |
| Loss for the financial year                                  | (7,877)         | (22,499)        |
| Other recognised gains and losses relating to the year (net) | (9,027)         | 2,723           |
| Net movement in shareholder's deficit                        | <u>(16,904)</u> | <u>(19,776)</u> |
| Opening shareholder's deficit                                | (24,046)        | (4,270)         |
| Closing shareholder's deficit                                | <u>(40,950)</u> | <u>(24,046)</u> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**20. FINANCIAL COMMITMENTS**

a) Capital commitments

At the end of the year, capital commitments were:

|                                 | <b>2015</b>  | <b>2014</b>  |
|---------------------------------|--------------|--------------|
|                                 | <b>£'000</b> | <b>£'000</b> |
| Contracted but not provided for | 185          | 1,486        |
|                                 | <u>185</u>   | <u>1,486</u> |

b) Lease commitments

During the year the company moved to new office premises. The lease agreement for the building extends to a period of 25 years.

The minimum annual rentals under these leases are as follows:

|                                | <b>Land &amp; Buildings</b> |              | <b>Plant &amp; Machinery</b> |              |
|--------------------------------|-----------------------------|--------------|------------------------------|--------------|
|                                | <b>2015</b>                 | <b>2014</b>  | <b>2015</b>                  | <b>2014</b>  |
|                                | <b>£'000</b>                | <b>£'000</b> | <b>£'000</b>                 | <b>£'000</b> |
| Operating leases which expire: |                             |              |                              |              |
| - within 1 year                | -                           | -            | 8                            | 12           |
| - within 2 - 5 years           | -                           | -            | 584                          | 327          |
| - after 5 years                | 196                         | 196          | -                            | -            |
|                                | <u>196</u>                  | <u>196</u>   | <u>592</u>                   | <u>339</u>   |
|                                | <u>196</u>                  | <u>196</u>   | <u>592</u>                   | <u>339</u>   |

The total annual rental (including interest) for the year was £719,000 (2014: £540,000).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**21. PENSION ARRANGEMENTS**

**Defined benefit schemes**

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 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.

|  | <b>Valuation at</b> |             |
|--|---------------------|-------------|
|  | <b>2015</b>         | <b>2014</b> |
| 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:

|   | <b>31 March 2015</b> |               | <b>31 March 2014</b> |               |
|---|----------------------|---------------|----------------------|---------------|
|   | <b>Male</b>          | <b>Female</b> | <b>Male</b>          | <b>Female</b> |
| 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         |

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

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

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).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**21. PENSION ARRANGEMENTS (continued)**

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

|                                   | <b>2015</b>    | <b>2014</b>    |
|-----------------------------------|----------------|----------------|
|                                   | <b>£'000</b>   | <b>£'000</b>   |
| 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)        |
|                                   | <u>201,793</u> | <u>172,380</u> |

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

|                                       | <b>Expected return</b> |             | <b>Fair value of assets</b> |                 |
|---------------------------------------|------------------------|-------------|-----------------------------|-----------------|
|                                       | <b>2015</b>            | <b>2014</b> | <b>2015</b>                 | <b>2014</b>     |
|                                       | %                      | %           | £'000                       | £'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           |
|                                       | <u>4.10</u>            | <u>5.30</u> | <u>201,793</u>              | <u>172,380</u>  |
| Total fair value of assets            |                        |             | 201,793                     | 172,380         |
| Actuarial value of scheme liabilities |                        |             | (281,187)                   | (239,429)       |
|                                       |                        |             | <u>(79,394)</u>             | <u>(67,049)</u> |
| Deficit in the scheme                 |                        |             | (79,394)                    | (67,049)        |
| Related deferred tax asset            |                        |             | 15,879                      | 13,410          |
| Employer contributions to be remitted |                        |             | (51)                        | -               |
|                                       |                        |             | <u>(63,566)</u>             | <u>(53,639)</u> |
| Net pension liability                 |                        |             | <u>(63,566)</u>             | <u>(53,639)</u> |

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**21. PENSION ARRANGEMENTS (continued)**

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

|                                   | <b>2015</b>    | <b>2014</b>    |
|-----------------------------------|----------------|----------------|
|                                   | <b>£'000</b>   | <b>£'000</b>   |
| 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)        |
|                                   | <u>281,187</u> | <u>239,429</u> |
| At 31 March                       | <u>281,187</u> | <u>239,429</u> |

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

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

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**

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).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2015**

**22. CONTINGENT LIABILITIES**

The company, together with certain of its fellow group undertakings, has guaranteed the amounts borrowed under group banking facilities. At 31 March 2015 the amount guaranteed was £140,000,000 (2014: £140,000,000).

**23. ULTIMATE CONTROLLING PARTY**

The company's immediate parent undertaking is Brunner Mond Group Limited, a company incorporated in England.

The smallest group in which the results of the company are consolidated is that of Tata Chemicals Europe Holdings Limited, a company incorporated in England. Copies of the accounts are available from the Registrar of Companies, Crown Way, Cardiff.

The ultimate parent company in the year to 31 March 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 details of transactions with other companies within the Homefield Pvt UK Limited group.