

Company Registration No. 05608419 (England and Wales)

HOMEFIELD PVT UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

HOMEFIELD PVT UK LIMITED

CONTENTS

FOR THE YEAR ENDED 31 MARCH 2022

	Page
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	4
Independent Auditor's Report to the Members of Homefield Pvt UK Limited	5
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

HOMEFIELD PVT UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company continues to act as an intermediate holding Company.

The loss for the year was \$2,445,000 (2021: \$1,904,000). The directors do not recommend the payment of dividend (2021: Nil).

FUTURE OUTLOOK

There are no changes to the status of the Company and its plans for the near future.

KEY PERFORMANCE INDICATORS (“KPIs”)

On the basis that the Company is a holding company and does not trade, the directors consider the key risk to the business to be the value of investments in subsidiaries and as such monitor the KPIs of the trading subsidiaries of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The results, financial position and risks of the Company are dependent on the results, financial position and risks of its direct and indirect subsidiaries.

By order of the Board



M J Ashcroft

Director

23 May, 2022

Natrium House, Winnington Lane, Northwich, Cheshire CW8 4GW

HOMEFIELD PVT UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2022.

DIRECTORS

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

R Mukundan

J Mulhall

M J Ashcroft

GOING CONCERN

The directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Refer note 2.3 of the financial statements.

POLITICAL CONTRIBUTIONS

No donations were made to any political party during the year (2021: nil).

MATTERS COVERED IN THE STRATEGIC REPORT

Future developments are disclosed in the strategic report.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the year, and at the date of signing this report, the Company maintained liability insurance and third party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company and any of its associated companies.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITOR AND STATEMENT OF DISCLOSURE TO THE AUDITOR

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

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

HOMEFIELD PVT UK LIMITED

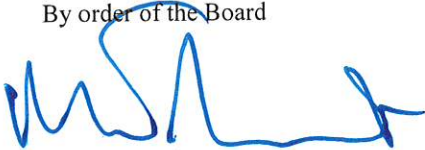
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

AUDITOR

The auditor, KPMG LLP, will be deemed to be re-appointed in accordance with Section 487 of the Companies Act 2006.

By order of the Board



M J Ashcroft

Director

23 May, 2022

Natrium House, Winnington Lane, Northwich, Cheshire CW8 4GW

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

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 they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Homefield Pvt UK Limited

Opinion

We have audited the financial statements of Homefield Pvt UK Limited ("the Company") for the year ended 31 March 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of the loss for the year then ended;
- have been properly prepared in accordance with the UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the group or company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and the TCE Group Limited audit committee and inspection of policy documentation as to the Natrium Holdings Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

- 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



**William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

8 Princes Parade

Liverpool

L3 1QH

25 May 2022

HOMEFIELD PVT UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
Administrative expenses		(57)	(79)
Operating loss		<u>(57)</u>	<u>(79)</u>
Dividend income from investments		2,057	2,970
Finance costs	5	(4,445)	(4,795)
Loss before taxation		<u>(2,445)</u>	<u>(1,904)</u>
Tax on profit	6	-	-
Loss for the financial year		<u><u>(2,445)</u></u>	<u><u>(1,904)</u></u>

All results arose from continuing operations.

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

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

HOMEFIELD PVT UK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Non-current assets			
Investments	7	6,000	6,000
		<u>6,000</u>	<u>6,000</u>
Current assets			
Cash and cash equivalents	12	1,118	711
		<u>1,118</u>	<u>711</u>
Total assets		<u><u>7,118</u></u>	<u><u>6,711</u></u>
Equity and liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	9	157,154	137,423
		<u>157,154</u>	<u>137,423</u>
Current liabilities			
Trade and other payables	8	236	308
Interest-bearing loans and borrowings	9	28,385	45,192
		<u>28,621</u>	<u>45,500</u>
Net current liabilities		(27,503)	(44,789)
Total liabilities		185,775	182,923
Net liabilities		<u>(178,657)</u>	<u>(176,212)</u>
Equity			
Equity share capital	10	102,379	102,379
Preference share capital	11	32,750	32,750
Retained earnings		(313,786)	(311,341)
Total equity		<u>(178,657)</u>	<u>(176,212)</u>
Total liabilities and equity		<u><u>7,118</u></u>	<u><u>6,711</u></u>

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

The financial statements of Homefield Pvt UK Limited, Company registration number 05608419, were approved by the Board of Directors on 23 May, 2022.

Signed on behalf of the Board of Directors by:

M J Ashcroft
Director

HOMEFIELD PVT UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Preference share capital	Retained earnings	Cash flow hedge reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2020	102,379	30,950	(309,437)	-	(176,108)
Loss for the year	-	-	(1,904)	-	(1,904)
Other comprehensive loss for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,904)	-	(1,904)
Issue of Preference shares	-	1,800	-	-	1,800
Balance at 31 March 2021	102,379	32,750	(311,341)	-	(176,212)
Loss for the year	-	-	(2,445)	-	(2,445)
Other comprehensive loss for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	(2,445)	-	(2,445)
Issue of preference shares	-	-	-	-	-
Balance at 31 March 2022	102,379	32,750	(313,786)	-	(178,657)

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

HOMEFIELD PVT UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Loss before tax		(2,445)	(1,904)
Adjustments for :			
Dividend income		(2,057)	(2,970)
Finance costs		4,445	4,795
Operating profit before working capital changes		(57)	(79)
Adjustments for :			
Decrease / (increase) / in other receivables and prepayments		-	-
(Decrease) / Increase in other payables		(121)	(4,001)
Net cash outflow from operating activities		(178)	(4,080)
Investing activities			
Dividend income		2,057	2,970
Net cash flows generated / (used) from / in investing activities		2,057	2,970
Financing activities			
Interest paid		(1,472)	(1,909)
Proceeds from borrowings		-	500
Issue of preference shares		-	1,800
Net cash flows generated / (used) from / in financing activities		(1,472)	391
Net decrease in cash and cash equivalents		407	(719)
Cash and cash equivalents at beginning of year		711	1,430
Cash and cash equivalents at end of year		1,118	711
Footnote:			
		2022	2021
		\$'000	\$'000
Reconciliation of borrowings			
Falling due within one year:	9	28,385	45,192
Falling due after one year:	9	157,154	137,423
		185,539	182,615
Interest accrued on borrowing		2,703	2,957
Proceeds from borrowings		-	500
Debt issue cost amortised during the year		222	(234)
		2,925	3,223

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

1 General Information

Homefield Pvt UK Limited is a private company incorporated, domiciled and registered in England, United Kingdom. The registered number is 05608419 and its registered address is Natrium House, Winnington Lane, Northwich, Cheshire CW8 4GW.

2 Significant Accounting Policies

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

New and revised IFRS standards in issue but not yet effective.

There are no standards or amendments which have been issued but are not yet effective

2.1 Basis of preparation

The financial statements of the company have been prepared and approved by the directors in accordance with International Accounting Standards and in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, that have been measured at fair value on issue.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

2.2 Functional and presentation currency

The functional and presentation currency of the Company is United States Dollar which is the currency of the primary economic environment in which the company operates.

All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.3 Going concern

Notwithstanding net current liabilities of \$27,503,000 and net liabilities of \$178,657,000 as at 31 March 2022 and a loss for the year then ended of \$2,445,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is an intermediate holding company and is financed by \$74,000,000 of external term loans in addition to \$111,815,000 of loans from a parent undertaking. The Company's forecast cash outflow over the next 12 months relates to the payment of interest on its external debt and repayment in March 2023 of a term loan of \$28,500,000 and to meet its liabilities as they fall due for that period. The external borrowings are underwritten by a guarantee from the ultimate parent undertaking, Tata Chemicals Limited. Taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Tata Chemicals Limited, to meet its liabilities as they fall due for that period.

The Company is a member of the group headed by Tata Chemicals Limited (the "Ultimate Parent Group"). The Ultimate Parent has indicated its intention to provide such support as may be necessary to allow the Group to continue as a going concern for at least 12 months from the date of approval of these financial statements. In particular, the Ultimate Parent does not intend to seek or cause repayment of amounts due to other members of the Ultimate Parent Group that would require repayment of the group balances.

The Company is reliant on the support of the Ultimate Parent, as described above. Following discussions with the directors of the Ultimate Parent, the directors of the Company are satisfied that the Ultimate Parent will be able to provide the support which has been indicated. As is the case for any entity placing reliance on other related entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Foreign currency

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

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

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

2.5 Investments

Investments are shown at cost less provision for impairment.

2.6 Financial instruments

Financial assets

The company's financial assets include cash, investments, and other receivables

Classification

The company classifies its financial assets as either:

- those subsequently measured at fair value (either through OCI, or through profit or loss); or
- those measured at amortised cost.

2.6 Financial instruments (continued)

Financial assets(continued)

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition.

Measurement

At initial recognition, the company measures a financial asset at its fair value (other than financial asset at fair value through profit or loss). Transaction costs that are directly attributable to the acquisition of the financial assets are added to the fair value measured on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its financial assets:

i) Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gains or losses are recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

ii) Fair value through other comprehensive income ('FVTOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are recorded in OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the EIR.

iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Any gains or losses are recognised net in profit or loss in the period in which it arises. Interest income from these financial assets is included in finance income.

Debt and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

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

2.6 Financial instruments (continued)

Financial liabilities

The company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in profit or loss.

The company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Derivatives and hedging activities

In the ordinary course of business, the company uses certain derivative financial instruments to reduce its exposure to foreign exchange on net cash transactions and commodity price fluctuations (cash flow hedges). When the company opts to undertake hedge accounting, the company documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows or fair values of hedged items. The company documents its risk management objective, its strategy for undertaking various hedge transactions at the inception of each hedge relationship and how the entity will assess the effectiveness of the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit and loss account, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and accumulated in the hedging reserve.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

2.6 Financial instruments (continued)

Offsetting of financial instruments

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

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Impairment of financial assets

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

The company assesses on a forward looking basis the expected credit losses associated with its financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2.7 Retained earnings

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

2.8 Operating profit/loss

Operating profit/loss is stated after charging administration cost but before investment income and finance costs.

2.9 Taxation

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

Current income tax

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

Deferred tax

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

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

2.9 Taxation (continued)

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

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

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

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

2.10 Impairment of non-financial assets

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

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

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

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

3 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

Impairment of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Profit Before Taxation

There were no employees other than the directors during the current year and preceding year. No director received any remuneration for services to the Company during the year (2021: \$nil).

Auditor's remuneration for the audit of the Company's annual financial statements during the year was \$49,863 (2021: \$48,407).

There has been no remuneration paid to the auditor in respect of non-audit services during the year (2021: \$nil).

5 Finance Costs

	2022	2021
	\$'000	\$'000
<i>Interest expense and similar charges:</i>		
Interest on term loan	(1,261)	(1,349)
Interest payable to fellow Group undertakings (note 13)	(2,703)	(3,001)
Amortisation of deferred finance costs	(386)	(269)
	<u>(4,350)</u>	<u>(4,619)</u>
<i>Other finance costs:</i>		
Other finance costs	(95)	(176)
	<u>(95)</u>	<u>(176)</u>
Total finance costs	<u>(4,445)</u>	<u>(4,795)</u>

6 Taxation

There is no current or deferred tax charge for the year or preceding year.

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

	2022	2021
	\$'000	\$'000
Loss for the financial year	(2,445)	(1,904)
Tax credit on loss at the average UK corporation tax rate for the period 19% (2021: 19%)	465	362
Tax effects of:		
Income not taxable	-	-
Group consortium relief	(465)	(362)
Tax charge for the year	<u>-</u>	<u>-</u>

The standard rate of corporation tax applied to reported profit is 19% (2021: 19%). The UK government latest legislation sets the headline rate of UK corporation tax at 19%. The net deferred tax liability has been calculated on the basis of a rate of 19%.

A potential deferred tax asset in respect of carried forward taxable losses of \$3,114,000 (2021: \$3,114,000) not been recognised because, in the opinion of the directors, it is not probable that these losses will be utilised

7 Investments	Shares in subsidiaries
Cost	\$'000
At 31 March 2021 and 31 March 2022	<u>220,826</u>
Provision for impairment	
At 31 March 2021 and 31 March 2022	(214,826)
Net book value	
At 31 March 2021	<u>6,000</u>
At 31 March 2022	<u>6,000</u>

The company conducts periodic impairment reviews which take place at least annually for each investment held.

The company's subsidiary undertakings at 31 March 2022 are set out below:

	Country of incorporation	Principal activity	% of ordinary share capital held
TCE Group Limited	England	Holding company	100
Tata Chemicals Africa Holdings Limited**	England	Holding company	100
Tata Chemicals Magadi Limited	England	Manufacture and sale of soda ash and related products	100*
Tata Chemicals South Africa Limited	South Africa	Distribution of soda ash	100*
Brunner Mond Group Limited	England	Holding company	100*
Cheshire Salt Holdings Limited	England	Holding company	100*
Cheshire Salt Limited	England	Holding company	100*
Natrium Holdings Limited	England	Holding company	100*
Tata Chemicals Europe Limited	England	Manufacture and sale of soda ash and related products	100*
Winnington CHP Limited	England	Generation and sale of steam and electricity	100*
British Salt Limited	England	Manufacture and sale of salt	100*
Northwich Resource Management Limited	England	Dormant	100*
Brinefield Storage Limited	England	Dormant	100*
Cheshire Cavity Storage 2 Limited	England	Dormant	100*
Cheshire Compressor Limited	England	Dormant	100*
New Cheshire Salt Works Limited	England	Holding company	100*

* Indirect shareholding

** Name of Tata Chemicals Africa Holdings Ltd changed to TC Africa Holdings Ltd w.e.f. October 11 2021. Irish Feeds Limited was dissolved on 14 September 2021

7 Investments (continued)

All subsidiary accounts can be obtained from the registered office, Natrium House, Winnington Lane, Northwich, Cheshire CW8 4GW.

8 Trade And Other Payables

	2022	2021
	\$'000	\$'000
Amount owed to Group undertakings (note 13)	102	230
Accruals	134	78
	<u>236</u>	<u>308</u>

The above trade and other payables are classified under 'Other financial liabilities' category of financial liabilities.

9 Other Current And Non-Current Financial Assets And Liabilities*a) Other financial liabilities***Interest-bearing loan and borrowings**

	2022	2021
	\$'000	\$'000
Falling due within one year:		
Term loan owed	28,500	45,500
Less: unamortised debt issue costs	(115)	(308)
Total current interest-bearing loan and borrowings	<u>28,385</u>	<u>45,192</u>

The term debt owed by the Company comprises the following amounts:

Term Loan: the amounts outstanding to Bank of America were \$28,500,000 at 31 March 2022 (2021: \$28,500,000). This loan was refinanced in March 2018 and is now repayable in full in March 2023. Interest on this loan is payable based on USD LIBOR plus a margin of 1.15%.

The above term loans has been secured by Corporate guarantee / comfort letter issued by Tata Chemicals Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9	Other Current And Non-Current Financial Assets And Liabilities (continued)		
	<i>b) Other financial liabilities (continued)</i>		
		2022	2021
	Falling due after one year:		
	Term loan owed	45,500	28,500
	Less: unamortised debt issue costs	(161)	(189)
	Amounts owed to Group undertakings (note 13)	111,815	109,112
	Total non-current interest-bearing loan and borrowings	157,154	137,423
	Total interest-bearing loan and borrowings	185,539	182,615

The term debt owed by the Company comprises the following amounts:

Term Loan: the amount outstanding to Bank of America was \$45,500,000 at 31 March 2022 (2021: \$45,500,000). This loan was refinanced in March 2022 and is now repayable in full in December 2026. Interest on this loan is payable based on SOFR plus Credit Spread Adjustment plus a margin of 1.25% per annum.

The above term loan has been secured by Corporate guarantee / comfort letter issued by Tata Chemicals Limited.

Amounts owed to Group undertakings

The amounts owed to Group undertakings which is falling due after more than one year, comprise a loan from Tata Chemicals Limited, and is repayable at such time as agreed by the parties. Interest is payable based on USD LIBOR plus a margin of 2.25%.

c) Financial risk management and policies

The company's principal financial liabilities comprise loans and borrowings and trade and other payables. The company has trade and other receivables and cash balance and other financial assets on account of derivatives.

The company is exposed to interest rate risk and liquidity risk.

The company's senior management oversees the management of these risks, guided by risk management policy of the ultimate parent company. The company's overall strategy remains unchanged from 2020.

9 **Other Current And Non-Current Financial Assets And Liabilities (continued)**

d) Financial risk management and policies (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market rates relates primarily to the group's long-term debt obligations with floating interest rates.

No sensitivity analysis is prepared as the company does not expect changes in the LIBOR/SOFR rate to have a material impact on the financial statements.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and issuance of preference shares, where appropriate. For repayment dates of bank loans, refer note 9 (b).

10 **Equity Share Capital**

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

	2022	2021
	\$'000	\$'000
Allotted, called-up and fully paid		
51,811,320 ordinary shares of £1 each	102,379	102,379
The Company has issued one class of ordinary shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.		

11 **Preference Share Capital**

Non-cumulative redeemable preference shares:

	2022	2021
	\$'000	\$'000
At the beginning of the year	32,750	30,950
Issued during the year	-	1,800
At the end of the year	32,750	32,750

During the previous year, the Company has issued 1.8 million non-convertible and non-cumulative redeemable preference shares of US \$1.00 to Tata Chemicals International Pte. Ltd.

The preference shares hold a fixed non-cumulative preferential dividend at the rate of 8% per annum in respect of the nominal value of \$1 each of the preference shares. These are redeemable at the discretion of board of director's of the Company. To the extent that they are payable, dividends on the non-cumulative redeemable shares accrue at the rate of 8% per annum in respect of the nominal value of the preference shares.

12 **Cash and cash equivalents**

	2022	2021
	\$'000	\$'000
Cash at bank	1,118	711
	1,118	711

13 Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

		Corporate guarantee commission charged by related party \$'000	Interest charged by related party \$'000	Accrued interest payable from related parties \$'000	Amount (owed to) / receivable from related parties \$'000
Loans from related parties					
<i>Entity is part of the larger Group</i>					
<i>Tata Chemicals Limited</i>	2022	-	(2,703)	(560)	(111,255)
	2021	-	(2,957)	(501)	(108,611)
Guarantee commission					
<i>Ultimate parent undertaking</i>					
<i>Tata Chemicals Limited</i>	2022	(95)	-	-	(48)
	2021	(177)	-	-	(24)
Expense and recharges					
<i>Subsidiary company</i>					
<i>Tata Chemicals Africa Holdings Limited</i>	2022	-	-	-	(63)
	2021	-	(44)	-	(206)
<i>Tata Chemicals Europe Limited</i>	2022	-	-	-	9
	2021	-	-	-	-

Terms and conditions of transactions with related parties

The recharges to/ from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding trading balances at the year end are unsecured and interest free and will be settled in cash. However interest is charged monthly on the loan balance at agreed rate. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2021: \$nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

14 Ultimate Parent

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

The ultimate parent undertaking is Tata Chemicals Limited, a Company incorporated in India. The smallest and largest group in which the results of the Company are consolidated is that of Tata Chemicals Limited. Copies of the accounts are available from the Company Secretary, Tata Chemicals Limited, Bombay House, Mumbai, India.

