

Brunner Mond Group Limited

Annual report and financial statements

Registered number 03524903

For the year ended 31 March 2018

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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 continues to act as an intermediate holding company.

Future outlook

No changes to the status of the company are planned for the near future.

Principal risks and financial risk management

The entity operates as an intermediate holding company and as such no risks have been identified.

By order of the board



J L Abbotts

Director

15 June 2018

Mond House, Winnington Lane, Northwich, Cheshire, CW8 4DT

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 2018.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Directors

The directors who held office during the year were as follows:

M J Ashcroft
J L Abbotts

Political contributions

No donations were made to any political party during the year (2017: *£nil*).

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 (Note 2.2).

Dividends

The directors do not recommend the payment of a dividend, (2017: same).

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 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.

Auditor

KPMG LLP were appointed as auditor in the year. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



J L Abbotts
Director

Date: 15 June 2018
Mond House, Winnington Lane, Northwich, Cheshire CW8 4DT

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 IFRSs as adopted by the EU;
- 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.



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditor's report to the members of Brunner Mond Group Limited

Opinion

We have audited the financial statements of Brunner Mond Group Limited ("the company") for the year ended 31 March 2018 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in this report for the financial year is consistent with the financial statements; and
- in our opinion this report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Brunner Mond Group Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, 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.



Will Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Date: 15 June 2018

Profit and loss account
For the year ended 31 March 2018

	<i>Note</i>	2018 £000	2017 £000
Finance income	7	1,672	1,665
Profit on ordinary activities before taxation		1,672	1,665
Taxation on profit on ordinary activities	8	-	-
Profit for the year		1,672	1,665

The Notes on page 9 to 15 form an integral part of these financial statements.

All results arose from continuing operations.

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

Balance sheet

At 31 March 2018

Assets	Note	2018 £000	2017 £000
Non-current assets			
Investments	9	-	-
Current assets			
Trade and other receivables	10	74,216	72,544
Total assets being net assets		<u>74,216</u>	<u>72,544</u>
Equity and liabilities			
Equity			
Share capital	11	(63,617)	(63,617)
Retained earnings	12	(10,599)	(8,927)
Total equity and liabilities		<u>(74,216)</u>	<u>(72,544)</u>

The Notes on page 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 15 June 2018 and signed on its behalf by:

J L Abbotts
Director

Statement of changes in equity
For the year ended 31 March 2018

	Share capital (Note 11) £000	Retained earnings (Note 12) £000	Total equity £000
Balance at 1 April 2016	(63,617)	(7,262)	(70,879)
Profit for the year	-	(1,665)	(1,665)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	(63,617)	(8,927)	(72,544)
Profit for the year	-	(1,672)	(1,672)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	(63,617)	(10,599)	(74,216)

The Notes on pages 9 to 15 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 General information

Brunner Mond Group Limited is a private company incorporated in England, United Kingdom, under the Companies Act. The address of the company's registered office is Mond House, Winnington Lane, Northwich, Cheshire CW8 4DT.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2 Significant accounting policies

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

2.1 Basis of accounting

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and therefore the company financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on a historical cost basis.

Group financial statements have not been prepared as permitted by section 400 of the Companies Act 2006 as the company itself is a wholly owned subsidiary of Homefield Pvt UK Limited, a body incorporated in the United Kingdom which prepares consolidated financial statements.

2.2 Going concern

The Company is a subsidiary of Tata Chemicals Europe Holdings Limited ("TCEHL"). TCEHL and its subsidiaries (together the "Group") manage their operations on a Group-wide basis. In particular, the Group's financing and cash requirements are managed on a pooled basis with funds being allocated between companies to meet individual short and medium term requirements. Consequently, the assessment of company's ability to continue as a going concern has been based on a review of the Group as a whole.

As at 31 March 2018 the Group was funded by a fully drawn down £80,000,000 Term Loan and £9,000,000 drawn down from a £20,000,000 Revolving Credit facility, both provided by Bank of America Merrill Lynch and secured by fixed and floating charges over the assets of the Group. The facilities are repayable in March 2023.

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.

Notes (continued)

2.3 Investments

Investments in subsidiaries are shown at cost less provision for impairment.

2.4 Financial instruments and hedge accounting

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value. The company's financial assets include cash, trade and other receivables.

Subsequent measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss account. The losses arising from impairment are recognised in the profit and loss account in finance costs.

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.

b) 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 at the proceeds received, net of direct issue costs.

Notes (continued)

2.5 Taxation

The tax expense represents the sum of the 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.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit and loss account. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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, in the foreseeable future, that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2.6 Interest income

Interest income is recognised when it is probable that the future economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset, to that asset's net carrying amount on initial recognition.

3 Significant accounting judgements, 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. The Directors are of the view that there are no significant accounting judgements, estimates and assumptions in this Company.

Notes *(continued)*

4 Standards issued but not yet effective

The company has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2012 – 2014 Cycle.

At the date of authorisation of these financial statements the company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

The directors do not expect that the adoption of the other Standards listed above will have a material impact on the financial statements of the company in future periods, except as noted below:

- IFRS 9 ‘Financial instruments’ – The standard was endorsed on 22 November 2016 and applies to an entity’s first annual statements beginning on or after 1 January 2018. The revised standard replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new guidance for classification and measurement, impairment of financial instruments, and hedge accounting. During the year, a review was conducted to ensure that the impact of the new standards is fully understood in advance of the effective date. It is expected that the main company financial statement caption to be affected by this new standard is trade receivables. The cumulative impact on adoption of this standard is not expected to be significant.

5 Auditor’s remuneration

Auditor’s remuneration for audit services for the year has been borne by a fellow group undertaking (2017: same). No remuneration has been paid in relation to non-audit services (2017: £nil).

6 Staff numbers and costs

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 (2017: £nil).

7 Finance income

	2018	2017
	£000	£000
Interest receivable from fellow group undertakings	1,672	1,665

Notes *(continued)*

8 Tax

There was no current or deferred tax charge in the year or the 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:

	2018	2017
	£000	£000
<i>Profit before tax</i>	1,672	1,665
Tax on profit on ordinary activities at the small companies' rate of UK corporation tax rate for the year 19% (2017: 20%)	(318)	(333)
Tax effects of:		
Utilisation of tax losses	318	333
Total tax charge for the year	-	-

The UK government has substantively enacted the Finance Bill 2016, giving rise to the following reductions in the headline rate of UK corporation tax: 19% from 1 April 2017 to 31 March 2020 and 17% from 1 April 2020. The net deferred tax liability has been calculated on the basis of a rate of 17% since temporary differences are generally expected to reverse after 1 April 2020.

9 Investments

	Shares in subsidiary undertakings £000
Cost	
At 1 April 2017 and 31 March 2018	73,518
Impairment	
At 1 April 2017 and 31 March 2018	(73,518)
Net book value	
At 31 March 2017 and 31 March 2018	-

Notes (continued)

9 Investments (continued)

The company's subsidiary undertakings at 31 March 2018 are set out below:

	Country of incorporation	Principal activity	% of ordinary share capital held
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*
Northwich Resource Management Limited	England	Dormant	100

*Indirect shareholding

All subsidiary accounts can be obtained from the Registrar of Companies, Crown Way, Cardiff.

10 Trade and other receivables

	2018	2017
	£000	£000
Amounts due from group undertakings (Note 13)	74,216	72,544

For the purposes of financial instrument recognition, trade receivables are classified as loans and receivables and measured at amortised cost. The directors consider that the carrying value of trade and other receivables is approximately equal to the fair value.

11 Called-up share capital

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

	2018	2017
	£000	£000
Authorised, issued and fully paid 636,171,102 (2016: 636,171,102) ordinary shares of £0.10	(63,617)	(63,617)

12 Reserves

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

Notes (continued)

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 and outstanding balances at the reporting date:

Loans		Interest charged to related party in the year £000	Amounts owed by related party £000
<i>Companies which were part of the Tata Chemicals Europe Holdings Limited group</i>			
Tata Chemicals Europe Holdings Limited	2018	1,672	74,216
	2017	1,665	72,544

Terms and conditions of transactions with related parties

Outstanding trading balances at the year end are unsecured and will be settled in cash. Within the Tata Chemicals Europe Holdings Limited group interest is charged at a rate that matches the rate paid on external loans and borrowings. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the company has not recorded any impairment of receivables relating to amounts owed by related parties (2017: £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 controlling party

The company's immediate parent undertaking is Tata Chemicals Europe Holdings 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. Copies of the accounts are available from the Registrar of Companies, Crown Way, Cardiff.

The ultimate parent company in the year to 31 March 2018 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.

1. The first part of the document is a list of names and titles.

2. The second part of the document is a list of names and titles.

3.