

Company Registration No. 06445043 (England and Wales)

GUSIUTE HOLDINGS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

GUSIUTE HOLDINGS (UK) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2019

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GUSIUTE HOLDINGS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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 profit on ordinary activities before taxation for the year was \$18,346,000 (2018: \$16,315,000).

An interim dividend of \$18,000,000 was paid to the ordinary shareholders on 13 July 2018 (2018: \$14,500,000). The directors do not recommend the payment of a further dividend. The dividend on the 8% per annum on non-cumulative redeemable preference shares amounting to \$628,000 was paid on 13 July 2018 (2018: \$628,000).

FUTURE OUTLOOK

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

The Company expect to be impacted by any changes made to the EU regulations as a result of the UK triggering Article 50. Currently it is not known what the changes will be, and the Company will closely monitor the impact of Brexit on regulations and will respond to these changes as they are known.

KEY PERFORMANCE INDICATORS ("KPIs")

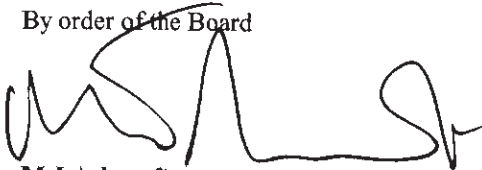
On the basis that the Company is a holding company and does not trade, the directors consider the key risk to the business to be the value of investments in subsidiaries and as such monitor the KPIs of the trading subsidiaries of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company does not have any external borrowings and is not subject to any covenants.

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

03 June, 2019

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2019.

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 (2018: 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.

GUSIUTE HOLDINGS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

AUDITOR

The auditors, KPMG LLP, will be proposed for re-appointment in accordance with Section 487 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to be 'M J Ashcroft', written over the text 'By order of the Board'.

M J Ashcroft

Director

03 June, 2019

GUSIUTE HOLDINGS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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 Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 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 GUSIUTE HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of Gusiute Holdings (Uk) Limited ("the company") for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the cash flow statement 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 2019 and of its profit/loss 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of goodwill and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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"). 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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

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.

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.

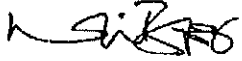
Auditor's responsibilities

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.



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

4 June 2019

GUSIUTE HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$'000	2018 \$'000
Administrative expenses		(28)	(17)
Operating loss		(28)	(17)
Finance income	5	19,218	16,960
Finance costs	6	(844)	(628)
Profit on ordinary activities before taxation		18,346	16,315
Tax on profit ordinary activities	7	-	-
Profit for the financial year		18,346	16,315

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.

GUSIUTE HOLDINGS (UK) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

Assets	Note	2019 \$'000	2018 \$'000
Non-current assets			
Investments	8	743,413	743,413
Current assets			
Trade and other receivables	9	10,629	11,120
Cash and cash equivalents	13	663	452
		<u>11,292</u>	<u>11,572</u>
Total assets		<u><u>754,705</u></u>	<u><u>754,985</u></u>
Equity and liabilities			
Current liabilities			
Trade and other payables	10	320	318
		<u>320</u>	<u>318</u>
Total liabilities		<u>320</u>	<u>318</u>
Equity			
Share capital	11	683,536	683,536
Preference share capital	12	27,800	27,800
Retained earnings		43,049	43,331
Equity attributable to owners of the Company		<u>754,385</u>	<u>754,667</u>
Total equity and liabilities		<u><u>754,705</u></u>	<u><u>754,985</u></u>

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

The financial statements of Gusiute Holdings (UK) Limited, Company registration number 06445043, were approved by the Board of Directors on 03 June 2019.

Signed on behalf of the Board of Directors by:



M J Ashcroft

Director

GUSIUTE HOLDINGS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Preference share capital	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2017	683,536	-	41,516	725,052
Profit for the year	-	-	16,315	16,315
Total comprehensive income for the year	-	-	16,315	16,315
Reclassified from debt to equity	-	27,800	-	27,800
Dividend paid during the year	-	-	(14,500)	(14,500)
Balance at 31 March 2018	683,536	27,800	43,331	754,667
Profit for the year	-	-	18,346	18,346
Total comprehensive income for the year	-	-	18,346	18,346
Dividend paid during the year	-	-	(18,628)	(18,628)
Balance at 31 March 2019	683,536	27,800	43,049	754,385

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

GUSIUTE HOLDINGS (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Profit before tax		18,346	16,315
Adjustments for :			
Finance costs	6	-	628
Interest income	5	(359)	(351)
Dividend income	5	(18,859)	(15,300)
Operating profit before working capital changes		<u>(872)</u>	<u>1,292</u>
Adjustments for :			
Increase / (decrease) Trade payables and other liabilities		2	(5)
Decrease / (increase) in Trade and other receivables		850	(1,307)
Net cash outflow from operating activities		<u>(20)</u>	<u>(20)</u>
Investing activities			
Dividend received		18,859	15,300
Net cash flows generated from investing activities		<u>18,859</u>	<u>15,300</u>
Financing activities			
Dividend paid to equity share holder		(18,000)	(14,500)
Dividend paid to preference share holder		(628)	(628)
Net cash flows used in financing activities		<u>(18,628)</u>	<u>(15,128)</u>
Net (decrease) / increase in cash and cash equivalents		211	152
Cash and cash equivalents at beginning of year		452	300
Cash and cash equivalents at end of year	13	<u>663</u>	<u>452</u>

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

1 General Information

Gusiute Holdings (UK) Limited is a private company incorporated, domiciled and registered in England, United Kingdom. The registered number is 06445043 and its registered address is Mond House, Winnington Lane, Northwich, Cheshire, CW8 4DT.

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.

Changes in significant accounting policies

The company has initially applied IFRS 9 and IFRS 15 from 1 April 2018. A number of other new standards are also effective from 1 April 2018 but they do not have a material effect on the company's financial statements.

Due to the transition methods chosen by the company in applying IFRS 9 and IFRS 15, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Under the new standard, trade and other receivables and cash and cash equivalents are classified as financial assets measured at amortised cost, rather than loans and receivables as per IAS 39.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model, causing credit losses to be recognised earlier. The new ECL, as outlined in Note 2.6, has been applied in calculating the provision for the recoverability of related party transactions. The cumulative impact on adoption of this standard has not been significant.

As a result of the adoption of IFRS 9, there have been consequential amendments to IAS 1, which require impairment losses on financial assets to be presented in a separate line item in the statement of profit or loss and OCI where material.

IFRS 15 Revenue from Contracts with Customers

Company does not have any revenue, thus there is no impact due to adoption of this standards

2.1 Basis of preparation

The financial statements of the company have been prepared and approved by the directors in accordance with International Financial Reporting Standards, as adopted by the EU ('Adopted IFRS').

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

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

The directors have prepared forecasts and projections for the Company. As a result of the projections prepared, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

a) 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.

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:

2.6 Financial instruments (continued)

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.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the profit and loss account.

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 trade and other payables. 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.

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 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.

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.

2.11 Standards issued but not yet effective

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

IFRS 16 'Leases' The standard was endorsed on 31 October 2017 and applies to an entity's first annual statements beginning on or after 1 January 2019. Considering that the Company has not entered into any lease transaction, we do not expect that the adoption of this Standard will have any impact on the financial statements of the Company in future periods.

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.

Brexit

The lack of clarity surrounding the terms of the UK exit from the EU has created a climate of ongoing economic uncertainty, but this has not had a material impact on the Company.

4 Profit On Ordinary Activities 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 (2018: \$nil).

Auditor's remuneration for the audit of the Company's annual financial statements during year \$17,000 (2018: \$16,000).

There has been no remuneration paid to the auditor in respect of non-audit services during the year (2018: \$nil).

5 Finance Income

	2019	2018
	\$'000	\$'000
Interest receivable from group undertakings	359	351
Dividend Income from investments	18,859	15,300
Foreign exchange gain	-	1,309
	<u>19,218</u>	<u>16,960</u>

6 Finance Costs

	2019	2018
	\$'000	\$'000
Interest payable to group undertakings	-	(628)
Foreign exchange loss	(844)	-
	<u>(844)</u>	<u>(628)</u>

7 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:

	2019	2018
	\$'000	\$'000
Profit before tax	18,346	16,315
Tax on profit on ordinary activities at the average UK corporation tax rate for the period 19% (2018: 19%)	(3,486)	(3,100)
Tax effects of:		
Income not taxable	3,583	2,907
Group consortium claimed	(97)	193
Tax charge for the year	<u>-</u>	<u>-</u>

The standard rate of corporation tax applied to reported profit is 19% (2018: 19%) following the substantive enactment of the Finance Act 2017. The UK government latest legislation sets the headline rate of UK corporation tax at 19% until 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.

8 Investments

	Shares in subsidiary undertakings \$'000	Other investment \$'000	Total \$'000
Cost			
At 31 March 2018 and 31 March 2019	720,642	92,777	813,419
Impairment			
At 31 March 2018 and 31 March 2019	-	(70,006)	(70,006)
Net book value			
At 31 March 2018 and 31 March 2019	720,642	22,771	743,413

The Company has not identified any indicators that suggest the carrying value of any of its investment held is impaired. Following a review at 31 March 2019, the Company concluded that the value of its investments should not be impaired further.

a) The Company's subsidiary and joint venture undertakings at 31 March 2019, are set out below:

Entity	Country of incorporation	Principal activity	Holdings
Valley Holdings Inc	USA	Investment company	100% ordinary share capital
Tata Chemicals North America Inc*	USA	Manufacture and sale of soda ash products	100% ordinary share capital
General Chemical International Inc.*	USA	Investment company	100% ordinary share capital
NHO Canada Holdings Inc.*	USA	Investment company	100% ordinary share capital
Tata Chemicals (Soda Ash) Partners Holdings**	USA	Investment company	75% ordinary share capital
Tata Chemicals (Soda Ash) Partners (TCSAP)**	USA	Manufacture and sale of soda ash products	75% ordinary share capital
TCSAP LLC*	USA	Investment company	75% ordinary share capital
TCNA (UK) Limited*	England	Sale of soda ash products	100% ordinary share capital
Alcad**	USA	Sale of soda ash products	50% holding by TCSAP
Natronx Technologies LLC (dissolved w.e.f. 5 December 2018)*	USA	Sale of soda ash products	33.3% holding by TCSAP

* Indirect shareholding

** a general partnership formed under the laws of the State of Delaware (USA) and are indirect shareholding

Registered address of all the above USA incorporated entity is 100, Enterprise Drive, 7th Floor, Suite 701, Rockaway, NJ 07866

Registered address of TCNA (UK) Limited is Mond House, Winnington Lane, Northwich, Cheshire, CW8 4DT.

8 Investments (continued)

b) The Company's other investments at 31 March 2019, are set out below:

Entity	Country of incorporation	Principal activity	Holdings
Crystal Peak Minerals Inc	Canada	Development-stage mining company	14.8% ordinary share capital
Tata Chemicals Magadi Limited	England	Manufacture and sale of soda ash products	76.66% preference share capital
TCE Group Limited (formerly known as Homefield 2 UK Limited)	England	Investment company	100% preference share capital

9 Trade and other receivables

	2019	2018
	\$'000	\$'000

Amounts due from group undertakings (note 15)	10,629	11,120
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The above trade and other receivables are classified under 'Loans and receivables' category of financial asset.

10 Trade and other payables

	2019	2018
	\$'000	\$'000

Amounts falling due within one year

Amounts owed to Group undertakings (note 15)	300	300
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Accruals	20	18
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	<u>320</u>	<u>318</u>
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The above trade and other payables are classified under 'Other financial liabilities' category of financial liabilities.

11 Called-up Share Capital

	2019	2018
	\$'000	\$'000

Authorised, issued and fully paid

351,835,271 (2018: 351,835,271) ordinary shares of £1 each	683,536	683,536
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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.

12 Preference share capital

	2019	2018
	\$'000	\$'000

Amounts falling due within one year

Non-cumulative redeemable preference shares	27,800	27,800
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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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13	Cash and cash equivalents	2019	2018
		\$'000	\$'000
	Cash at bank	663	452
		663	452
		663	452

14 Financial risk management

The Company does not have any exposure to interest rate risk and liquidity risk, however it is exposed to foreign currency risk due to its receivable balance from group under taking.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The carrying amounts of the Company's foreign currency denominated monetary assets at the reporting date are as follows:

	2019	2018
	\$'000	\$'000
Assets	10,629	11,120
	10,629	11,120

No sensitivity analysis is prepared as the Company does not expect a 5% increase or decrease in exchange rates to have a material impact on the financial statements.

15 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:

		Interest charged to related party in the period	Accrued interest receivable from related parties	Amounts receivable from related parties
		\$'000	\$'000	\$'000
Loans to related parties				
<i>Entity is part of the larger group</i>				
<i>Tata Chemicals Europe Limited</i>	2019	(359)	2,121	5,891
	2018	(351)	1,911	6,371

15	Related party transactions (continued)	Recharges from related parties	Dividend (paid) / received	Amounts (owed to) receivable from related parties
		\$'000	\$'000	\$'000
	Advance to related parties			
	<i>Entity is part of the larger group</i>			
	Tata Chemicals Europe Limited			
	2019	-	-	2,618
	2018	-	-	2,832
	Receivable from related parties			
	<i>Entity is part of the larger group</i>			
	Homefield Pvt UK Limited			
	2019	-	-	-
	2018	5	-	5
	Advance from related parties			
	<i>Entity is part of the larger group</i>			
	Bio Energy Ventures 1 (Mauritius) Pvt. Ltd			
	2019	-	-	(300)
	2018	-	-	(300)
	Dividend on Preference shares			
	<i>Entity is part of the larger group</i>			
	Bio Energy Ventures 1 (Mauritius) Pvt. Ltd			
	2019	-	(226)	-
	2018	-	(226)	-
	Tata Chemicals International Pte Limited			
	2019	-	(402)	-
	2018	-	(402)	-
	Dividend on Equity shares			
	Tata Chemicals International Pte Limited			
	2019	-	(18,000)	-
	2018	-	(14,500)	-
	Dividend from subsidiary			
	Valley Holdings Inc.			
	2019	-	18,859	-
	2018	-	15,300	-

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 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2018: \$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.

16 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.