

Company Registration No. 09187647 (England and Wales)

TCNA (UK) Limited
Annual Report and Financial Statements
For The Year Ended 31 March 2018

TCNA (UK) LIMITED

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TCNA (UK) LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

Directors: H S Ellis
R G Achter
JP Z Schnelder

Secretary: Ssec Limited

Registered Office: 21 Holborn Viaduct
London
EC1A 2DY

Bankers: The Royal Bank of Scotland
38 Mosley Street
Manchester
M60 2BF

Auditor: KPMG LLP
8 Princes Parade
Liverpool
L3 1QH

Solicitors: Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

TCNA (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company operates as a trading company. The company's principal activities are the purchase and sale of sodium carbonate (soda ash) for supply in the UK.

The company was incorporated on 22 August 2014 and commenced trading on 31 December 2015, through the purchase of soda ash from Tata Chemicals (Soda Ash) Partners in USA for sale to Tata Chemicals Europe Limited for further supply in the UK.

Company turnover for the year to 31 March 2018 was \$26,232,000 (2017: \$29,766,000) and the profit on ordinary activities before taxation was \$116,000 (2017: \$134,000). The directors do not recommend the payment of a dividend.

FUTURE OUTLOOK

The directors expect the company to continue to trade US produced soda ash in the UK for the foreseeable future. The Company expects to be impacted by Brexit 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.

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

FINANCIAL RISK MANAGEMENT

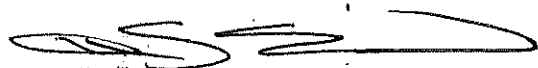
The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and foreign currency risk. The company's risk is managed by the Tata Chemicals NA Inc Treasury risk committee which seeks to limit the adverse effects on the financial performance of the company and subsidiary companies where appropriate.

The Tata Chemicals NA Inc company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The company takes out forward foreign exchange contracts where appropriate.

KEY PERFORMANCE INDICATORS ("KPIs")

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

By order of the Board



H S Ellis
Director
15 June 2018

TCNA (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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.

DIRECTORS

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

J M Kelghley (resigned 29 May 2018)
R G Achter
J P Z Schnelder
H S Ellis (appointed 29 May 2018)

POLITICAL CONTRIBUTIONS

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objectives and policies are detailed in note 16 of the financial statements and form part of this report by cross reference.

ENVIRONMENT

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

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 2.2 of the financial statement.

AUDITOR AND STATEMENT OF DISCLOSURE TO THE AUDITOR

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

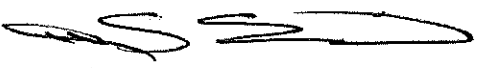
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

AUDITOR

KPMG LLP were appointed as auditor during 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


H S Ellis
Director
June 2018

TCNA (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Strategic Report, the Directors' 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

TCNA (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCNA (UK) LIMITED

FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of TCNA (UK) Limited ("the company") for the year ended 31 March 2018 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 2018 and of its results 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.

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 6, 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 Prince Parade
Liverpool
L3 1QH

18 June 2018

TCNA (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
	Note	\$'000	\$'000
Revenue	5	26,232	29,766
Cost of sales		<u>-24,744</u>	<u>-28,667</u>
Gross profit		1,488	1,099
Sales and distribution costs		-604	-901
Administrative expenses		-77	-109
Other operating (expenses)/income	6	<u>-691</u>	<u>45</u>
Operating profit		116	134
Profit on ordinary activities before taxation	6	<u>116</u>	<u>134</u>
Tax on profit on ordinary activities	8	-28	6
Profit for the financial year	13	<u><u>88</u></u>	<u><u>140</u></u>

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

As the company had no gains and losses other than the profit shown above for the current and prior year, no Statement of Comprehensive Income is required.

All results arose from continuing operations.

TCNA (UK) LIMITED

BALANCE SHEET


FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
Assets	Note	\$'000	\$'000
Current assets			
Inventories	9	5,809	4,472
Trade and other receivables	10	2,671	6,129
Prepayments		15	15
Cash and short term deposits	15	2,841	1,939
		<u>11,336</u>	<u>12,555</u>
Total assets		<u><u>11,336</u></u>	<u><u>12,555</u></u>
Equity and liabilities			
Current liabilities			
Trade and other payables	11	-11,083	-12,390
		<u>-11,083</u>	<u>-12,390</u>
Net current assets		<u>253</u>	<u>165</u>
Total liabilities		<u><u>-11,083</u></u>	<u><u>-12,390</u></u>
Equity			
Share capital	12	-	-
Retained earnings	13	-253	-165
Equity attributable to owners of the company		<u>-253</u>	<u>-165</u>
Total equity and liabilities		<u><u>-11,336</u></u>	<u><u>-12,555</u></u>

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

The financial statements of TCNA (UK) Limited, company registration number 09187647, were approved by the Board of Directors on 15 June 2018.

Signed on behalf of the Board of Directors by:



H S Ellis
Director

TCNA (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Retained earnings	Total equity
	(Note 12)	(Note 13)	
	\$'000	\$'000	\$'000
Balance at 31 March 2016	-	25	25
Profit for the year	-	140	140
Total comprehensive income for the year	-	140	140
Balance at 31 March 2017	-	165	165
Profit for the year	-	88	88
Total comprehensive income for the year	-	88	88
Balance at 31 March 2018	-	253	253

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

TCNA (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
	Note	\$'000	\$'000
Net cash inflow/(outflow) from operating activities	14	<u>902</u>	<u>-1,345</u>
Net cash inflow/(outflow) before financing		<u>902</u>	<u>-1,345</u>
Net (decrease)/increase in cash and cash equivalents	15	902	-1,345
Cash and cash equivalents at beginning of year	15	1,939	3,284
Cash and cash equivalents at end of year	15	<u><u>2,841</u></u>	<u><u>1,939</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 GENERAL INFORMATION

TCNA (UK) Limited is a private company incorporated domiciled and registered in England. The registered number is 09187647 and the registered address of the is 21 Holborn Viaduct, London, EC1A 2DY.

The financial statements are presented in US dollars 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 and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

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.

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

2.2 Going concern

The directors have prepared forecasts of the company'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 company's facilities should be sufficient during the period.

In making their assessment the directors have also considered the net asset position of the company. The main creditor of the company at 31 March 2018 is Tata Chemicals (Soda Ash) Partners. At 31 March 2018, the company owes \$9,677,000 (2017: \$11,643,000).

Due to the long working capital cycle, the Managing Partner of Tata Chemicals (Soda Ash) Partners has agreed to extended credit terms on these purchases. \$2,000,000 has been repaid since 31 March 2018 and the date of the Auditor's Report.

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 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.

2.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 and loans 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 income statement. The losses arising from impairment are recognised in the income statement in finance costs.

2.3 Financial Instruments (continued)

b) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. A financial asset or a Company 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 Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor 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.

c) Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position 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.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for obsolete, slow-moving or defective items where appropriate.

2.5 Taxation

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 countries where the Company operates and generates taxable income.

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 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.

2.5 Taxation (continued)

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.

VAT (Value Added Tax)

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

2.7 Foreign currency

The financial statements are presented in US Dollars, the currency of the primary economic environment in which it operates (its functional currency).

Transactions in foreign currencies are initially recorded by the company entities 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).

2.8 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 Standards issued but not yet effective

The company has adopted the amendments to IFRSs included in the Annual Improvements to IFRSs 2012-2014 Cycle for the first time in the current year.

The adoption of this amendment has had no effect on the company financial statements.

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 (replacing IAS 39 Financial Instruments: Recognition and Measurement). Endorsed 22 November 2016, applying to the company for the year commencing April 2018
IFRS 15	Revenue from Contracts with Customers (replacing IAS 18 Revenue and IFRIC 13). Endorsed 22 September 2016, applying to the company for the year commencing April 2018
IFRS 16	Leases (replacing IAS 17 Leases) Issued January 2016, applying to the company for the year commencing April 2019

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

- During the year, a review of IFRS 9 was conducted to ensure that the impact of the new standards is fully understood in advance of the effective date. The cumulative impact on adoption of this standard is not expected to be significant.
- During the year, a systematic review of IFRS 15 was conducted to ensure that the impact of the new standard is fully understood in advance of the effective date. This involved a contract review to assess the impact of IFRS 15. From the review, no changes to current revenue recognition methods are foreseen.
- In preparation for the adoption of IFRS 16, in the financial statements for the year ending 31 March 2020, management are in the process of assessing the potential impact. A preliminary review of the impact of the changes to IFRS 16 is in progress. A systematic review will be completed next year to quantify the impact of this new standard which may impact land and buildings operating leases being recognised on balance sheet.

4 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.

The directors are of the view that there are no significant judgements contained within these financial statements.

TCNA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 REVENUE

An analysis of the company's revenue, all as a result of continuing operations, by class of business is set out below:

	2018	2017
	\$000's	\$000's
Soda ash and related products	26,232	29,766

An analysis of the company's revenue by class geographical market is set out below:

	2018	2017
	\$000's	\$000's
United Kingdom	26,232	29,766

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2018	2017
	\$000's	\$000's
Cost of inventories recognised as an expense	24,825	28,016
Net foreign exchange loss/(gain)	691	-45
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of the company's accounts	40	65
- Fees payable to the company's auditor for tax compliance services to the company	6	11

7 STAFF NUMBERS AND COSTS

The company does not have any employees. No Director received any remuneration for services to the Company during the year.

8 TAX

The major components of tax expense/(income) for the years ended 31 March 2018 and 2017 are:

Profit and loss statement	2018	2017
	\$000's	\$000's
Current tax:		
Current tax charge / (credit)	28	-6
Total tax expense / (income) reported in profit and loss account	28	-6

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

	2018	2017
	\$000's	\$000's
Profit before tax	116	134
Tax on profit on ordinary activities at the average UK corporation tax rate for the year 19% (2017: 20%)	22	27
Tax effects of:		
Group relief claimed at nil charge	-	-33
Group relief claimed at 50% charge 2017-18	-11	-
Group relief payable at 50% charge 2016-17	14	-
Group relief paid at 50% charge 2015-16	3	-
Total tax charge / (credit) for the year	28	-6

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

TCNA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9	INVENTORIES	2018	2017
		\$000's	\$000's
	Finished goods and goods for resale	5,809	4,472

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

10	TRADE AND OTHER RECEIVABLES	2018	2017
		\$000's	\$000's
	Amounts owed from Group undertakings	2,327	5,514
	Taxation and social security	344	615
		2,671	6,129

Trade receivables are non-interest bearing and are generally on 30-60 day terms. All customers are credit checked before acceptance. No bad debt allowance has been recognised in the year (2017: \$nil).

As at 31 March, the ageing analysis of trade receivables is as follows:

	Total \$000's	Current \$000's	< 30 days \$000's	Past due but not impaired		
				30-60 days \$000's	61-90 days \$000's	91-120 days \$000's
31 March 2018	2,327	2,327	-	-	-	-
31 March 2017	5,514	5,514	-	-	-	-
31 March 2016	4,186	4,186	-	-	-	-

11	TRADE AND OTHER PAYABLES	2018	2017
		\$000's	\$000's
	Amounts owed to Group undertakings	9,677	11,643
	Accruals and deferred income	1,406	747
		11,083	12,390

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled 30-90 days following end of month.
- The carrying value approximates the fair value.
- Amounts owed to company undertakings are non-interest bearing and repayable on demand.

TCNA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12	CALLED-UP SHARE CAPITAL	2018	2017
	Authorised, issued and fully paid	\$000's	\$000's
	100 ordinary shares of £1 each		

The company has one class of ordinary shares which carry no right to fixed income.

13	RETAINED EARNINGS		
		Share capital \$000's	Retained earnings \$000's
	At 31 March 2016	-	25
	Profit for the year	-	140
	At 31 March 2017	-	165
	Profit for the year	-	88
	At 31 March 2018	-	253

14	RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS	2018	2017
		\$000's	\$000's
	Operating profit	116	134
	(Increase) / Decrease in inventories	-1,337	3,363
	Decrease / (Increase) in trade and other receivables	3,458	-1,925
	(Decrease) in trade and other payables	-1,335	-2,917
		<u>902</u>	<u>-1,345</u>

15	ANALYSIS AND RECONCILIATION OF NET CASH		
		At 1 April 2017	At 31 March 2018
		Cash flow	
		\$000's	\$000's
	Cash at bank and in hand	1,939	2,841
	Net cash balance	<u>1,939</u>	<u>2,841</u>
		2018	2017
		\$000's	\$000's
	Increase / (Decrease) in cash in the year	902	-1,345
	Change in net cash resulting from cash flows	<u>902</u>	<u>-1,345</u>
	Movement in net cash in year	902	-1,345
	Net cash at 1 April	<u>1,939</u>	<u>3,284</u>
	Net cash at 31 March	<u>2,841</u>	<u>1,939</u>

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial liabilities, comprise amounts owed to group undertakings. The company has amounts owed from group undertakings and cash that arrive directly from its operations.

The company is exposed to market risk, foreign currency risk, credit risk and liquidity risk.

The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the company. The financial risk committee provides assurance to the company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and company risk appetite.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, and commodity price risk. Financial instruments affected by market risk include loans and borrowings.

Foreign currency risk

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 company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a different currency from the company's functional currency).

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the operating cash flows and parent company support.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for amounts owed from group undertakings).

Amounts owed from group undertakings

The company's only customer is group company. Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. At 31 March 2018, the company had 1 customer (2017: 1 customer, 2016: 1 customer) that owed the company more than \$1 million each and accounted for approximately 100% (2017: 100%, 2016: 100%) of all receivables owing. The requirement for an impairment is analysed at each reporting date.

17 CONTINGENCIES

There were no contingencies at 31 March 2018.

18 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:

		Sales to related parties \$000's	Purchases from related parties \$000's	Amounts owed by related parties \$000's	Amounts owed to related parties \$000's
Tata Chemicals Europe Limited	2018	26,232	-647	2,327	0
	2017	29,766	-	5,514	0
Tata Chemicals (Soda Ash) Partners	2018	-	-23,316	-	-9,677
	2017	-	-22,559	-	-11,643

Ultimate parent

The company's immediate parent undertaking is Tata Chemicals NA Inc, a company incorporated in USA.

The ultimate parent company in the year to 31 March 2018 was Tata Chemicals Limited, a company incorporated in India. The largest company 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.

Terms and conditions of transactions with related parties

The sales to and purchases 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. 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.

Transactions with key management personnel

There were no transactions with key management personnel in the year.