

GUSIUTE HOLDINGS (UK) LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2014



GUSIUTE HOLDINGS (UK) LIMITED

STRATEGIC REPORT

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

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company continues to act as an intermediate holding company. The company does not trade.

The company conducts periodic impairment reviews which take place at least annually for each investment held. Following a review at 31 March 2014, the company concluded that the carrying value of its investment in EPM Mining Ventures Inc was overstated by \$37,494,000 and the carrying value of its investment in Tata Chemicals Magadi Limited was overstated by \$32,512,000. A total impairment charge of \$70,006,000 (see Note 6) has been recognised.

The loss on ordinary activities before taxation for the year was \$68,356,000 (2013: profit of \$24,256,000).

The directors do not propose the payment of a dividend (2013: \$9,500,000).

The directors have not presented consolidated financial statements, on the basis that to do this would cause undue delay and expense, particularly as this company acts solely as an intermediate holding company. The operations of the subsidiaries are managed at Valley Holdings Inc. (an intermediate parent company located in the USA) and EPM Mining Ventures Inc. (a company located in Canada). The results of these companies are consolidated into Tata Chemicals International Pte, the ultimate parent undertaking. Consolidated financial statements for Tata Chemicals Limited are available upon request as disclosed in Note 14. The requirement to prepare group financial statements at Gusiute Holdings (UK) Limited level is expected to be temporary because on conversion of the Tata Chemicals group to IFRS it will no longer apply.

PRINCIPAL RISKS AND UNCERTAINTIES

The company does not have any external borrowings and is not subject to any entity specific commitment or covenants.

As referred to in Note 1 to the financial statements, 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.

The results and financial position of the company are dependent on the results and financial position of its direct and indirect subsidiaries.

Approved by the Board and signed on its behalf by:



P K Ghose
Director

1ST August 2014

GUSIUTE HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 March 2014.

DIRECTORS

The directors who served during the year and thereafter were:

P K Ghose
M Ramakrishnan

AUDITOR

Each of the persons who are directors 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

The auditor, Deloitte LLP has indicated its willingness to continue in office. Deloitte LLP has been appointed by the members and as such an annual resolution to reappoint them is not required.

Approved by the Board and signed on its behalf by:


P K Ghose
Director

1ST August 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

We have audited the financial statements of Gusiute Holdings (UK) Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Basis for qualified opinion on financial statements

The company's subsidiary undertakings have been excluded from consolidation on the basis disclosed in note 1 to the financial statements. In our opinion, these subsidiary undertakings should be included in the consolidation as required by section 399 of the Companies Act 2006 and Financial Reporting Standard 2 *Accounting for subsidiary undertakings*.

Opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

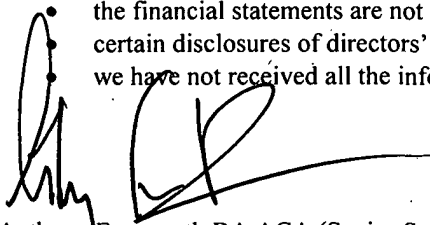
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUSIUTE HOLDINGS (UK)
LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

15 August 2014

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2014

	Note	2014 \$'000	2013 \$'000
Other operating expenses	2	(28)	(55)
Exceptional operating expenses	3	(70,006)	-
OPERATING LOSS		(70,034)	(55)
Income from shares in group undertakings		-	24,653
Finance charges (net)	4	1,678	(342)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(68,356)	24,256
Taxation on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10,11	(68,356)	24,256

All results have arisen from continuing activities.

The historical cost profit is identical to that disclosed above and accordingly no separate statement of historical cost profits and losses has been presented.


The accompanying notes are an integral part of this profit and loss account. No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

GUSIUTE HOLDINGS (UK) LIMITED

BALANCE SHEET As at 31 March 2014

	Note	2014 S'000	2013 S'000
FIXED ASSET			
Investments	6	743,413	813,419
CURRENT ASSETS			
Debtors	7	11,677	3,339
Cash at bank and in hand		209	7,070
		<u>11,886</u>	<u>10,409</u>
CREDITORS: Amounts falling due within one year	8a	<u>(347)</u>	<u>(520)</u>
NET CURRENT ASSETS		<u>11,539</u>	<u>9,889</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>754,952</u>	<u>823,308</u>
CREDITORS: Amounts falling due after more than one year	8b	<u>(27,500)</u>	<u>(27,500)</u>
NET ASSETS		<u>727,452</u>	<u>795,808</u>
CAPITAL AND RESERVES			
Called-up share capital	9	683,536	683,536
Profit and loss account	10	43,916	112,272
SHAREHOLDER'S FUNDS	11	<u>727,452</u>	<u>795,808</u>

The financial statements of Gusiute Holdings (UK) Limited, registered number 06445043, were approved by the Board of Directors on 1st August 2014 and signed on its behalf by:


P K Ghose
Director

The accompanying notes are an integral part of this balance sheet.

CASH FLOW STATEMENT**For the year ended 31 March 2014**

	Note	2014 \$'000	2013 \$'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	12	(295)	(3,163)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Net interest paid		(39)	(446)
Dividends received		-	24,653
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(39)	24,207
FINANCIAL INVESTMENT			
Investment in preference share capital of group undertakings		-	(17,500)
Loans to group undertakings		(7,898)	-
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(7,898)	3,544
FINANCING			
Issue of preference share capital		-	9,500
Dividends paid		-	(9,500)
New loans received from group undertakings		-	18,300
Bank loan repayments		-	(15,010)
NET CASH INFLOW FROM FINANCING		-	3,290
Impact of exchange rate on cashflows		1,371	-
(Decrease)/increase in cash in the year	13	(6,861)	6,834

The accompanying notes are an integral part of this cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2014****1. ACCOUNTING POLICIES**

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

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

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.

Group financial statements have not been prepared as the directors consider that this would result in undue cost and delay particularly as this company acts solely as an intermediate holding company. The operations of the subsidiaries are managed at Valley Holdings Inc. (an intermediate parent company located in the USA) and EPM Mining Ventures Inc. The results of these companies are consolidated into Tata Chemicals International Pte, the ultimate parent undertaking. Consolidated financial statements for Tata Chemicals Limited are available upon request as disclosed in Note 14. The requirement to prepare group financial statements at Gusiute Holdings (UK) Limited level is expected to be temporary because on conversion of the Tata Chemicals group to IFRS it will no longer apply.

The directors therefore consider that the time and cost incurred would be disproportionate to the benefits received from preparing consolidated financial statements purely for statutory purposes.

Functional and reporting currency

All material transactions are conducted in US Dollars and accordingly the directors have selected USD as the company's functional and reporting currency.

Fixed asset investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and law that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those that are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2014****2. ACCOUNTING POLICIES (CONTINUED)****Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange at that date or, if appropriate, at the forward contract rate.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

2. OTHER OPERATING EXPENSES

There was no directors' remuneration during the year (2013: \$nil). There were no employees other than the directors during the year (2013: nil). Other operating expenses are described below:

	2014 \$'000	2013 \$'000
Other expenses	16	25
Auditor's remuneration for the audit of the company's annual financial statements	12	30
Total other operating expenses	<u>28</u>	<u>55</u>

There has been no remuneration paid to the auditor in respect of non-audit services during the year (2013: \$nil).

3. EXCEPTIONAL OPERATING EXPENSES

	2014 \$'000	2013 £'000
Impairment of fixed asset investments (Note 6)	70,006	-

4. FINANCE CHARGES (NET)

	2014 \$'000	2013 \$'000
Interest payable and similar charges:		
Interest payable to group undertakings	(284)	(230)
Bank interest payable	-	(396)
Total interest payable and similar charges	<u>(284)</u>	<u>(626)</u>
Interest receivable from group undertakings	591	284
Foreign exchange gain	1,371	-
Net finance charges	<u>1,678</u>	<u>(342)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2014****5. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

There is no charge for taxation in the current or preceding year.

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

	2014 \$'000	2013 \$'000
(Loss)/profit on ordinary activities before taxation	(68,356)	24,256
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	(15,722)	5,821
Effects of:		
Expenses not deductible for tax purposes	16,125	-
Income not chargeable to tax	-	(5,821)
Group relief claimed	(403)	-
Current tax charge for the year	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2014****6. FIXED ASSET INVESTMENTS**

a) The company's investments in subsidiaries at 31 March 2014 were:

Subsidiary	Holding	Country of incorporation	Principal activity
Valley Holdings Inc	100% ordinary share capital	USA	Investment company
Tata Chemicals North America Inc	100% ordinary share capital (*)	USA	Manufacture and sale of soda ash products
Tata Chemicals (Soda Ash) Partners Inc	75% ordinary share capital (*)	USA	Manufacture and sale of soda ash products

b) The company's other investments at 31 March 2014 were:

Subsidiary	Holding	Country of incorporation	Principal activity
EPM Mining Ventures Inc	30% ordinary share capital	Canada	Manufacture of sulphate of potash
Tata Chemicals Magadi Limited	100% preference share capital	UK	Manufacture and sale of soda ash products
Homefield 2 UK Limited	100% preference share capital	UK	Holding company

(*) held indirectly

c) An analysis of the company's fixed asset investments was as follows:

	Subsidiaries \$'000	Other investments \$ '000	Total \$'000
Cost			
At 1 April 2013 and at 31 March 2014	720,642	92,777	813,419
Impairment			
At 1 April 2013	-	-	-
Charge for the year	-	(70,006)	(70,006)
At 31 March 2014	-	(70,006)	(70,006)
Net book value			
At 31 March 2014	720,642	22,771	743,413
At 31 March 2013	720,642	92,777	813,419

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2014****7. DEBTORS**

Amounts falling due within one year:

	2014	2013
	\$'000	\$'000
Amounts due from group undertakings	11,677	284
Other debtors	-	3,055
	<u>11,677</u>	<u>3,339</u>

8. CREDITORS

a) Amounts falling due within one year

	2014	2013
	\$'000	\$'000
Amounts owed to parent company	-	180
Amounts owed to other group undertakings	317	300
Accruals	30	40
	<u>347</u>	<u>520</u>

b) Amounts falling due after more than one year

	2014	2013
	\$000	\$'000
Amounts owed to parent company	-	8,000
Amounts owed to other group undertakings	-	10,000
Non-cumulative redeemable preference shares	27,500	9,500
	<u>27,500</u>	<u>27,500</u>

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, which is payable annually in arrears on 30 April. The company shall redeem the preference shares on 30 January 2016 for a sum equal to the nominal amount paid up thereon together with a sum equal to all arrears of the preferential dividend to which the holder is entitled.

9. CALLED-UP SHARE CAPITAL

	2014	2013
	\$'000	\$'000
Allotted, called-up and fully paid		
351,835,271 (2013: 351,835,271) ordinary shares of £1 each	<u>683,536</u>	<u>683,536</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2014

10. RESERVES

	Profit and loss account \$'000
At 1 April 2013	112,272
Loss for the financial year	(68,356)
At 31 March 2014	<u>43,916</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 \$'000	2013 \$'000
(Loss)/profit for the financial year	(68,356)	24,256
Equity dividends paid	-	(9,500)
Net (decrease)/increase in shareholder's funds	(68,356)	14,756
Opening shareholder's funds	<u>795,808</u>	<u>781,052</u>
Closing shareholder's funds	<u>727,452</u>	<u>795,808</u>

12. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	2014 \$'000	2013 \$'000
Operating loss	(70,034)	(55)
Impairment of investments	70,006	-
(Increase)/decrease in debtors	(273)	(3,055)
(Decrease)/increase in creditors	<u>6</u>	<u>(53)</u>
Net cash outflow from operating activities	<u>(295)</u>	<u>(3,163)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 March 2014****13. ANALYSIS AND RECONCILIATION OF NET DEBT**

	1 April 2013 \$'000	Cash flow \$'000	31 March 2014 \$'000
Cash at bank and in hand	7,070	(6,861)	209
Debt due within one year	(480)	180	(300)
Debt due between two and five years	(27,500)	-	(27,500)
	(27,980)	180	(27,800)
Net debt	(20,910)	(6,681)	(27,591)
		2014 \$'000	2013 \$'000
(Decrease)/increase in cash in the year		(6,861)	6,834
Cash inflow from increase in debt		180	(12,970)
Change in net debt resulting from cash flows		(6,681)	(6,136)
Net debt at beginning of year		(20,910)	(14,774)
Net debt at end of year		(27,591)	(20,910)

14. ULTIMATE CONTROLLING PARTY

The company has taken advantage of the exemption in FRS 8 "Related party disclosures" for wholly owned subsidiaries and has not disclosed transactions with other group undertakings.

The ultimate parent company in the year to 31 March 2014 was Tata Chemicals International Pte, a company incorporated in Singapore.

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