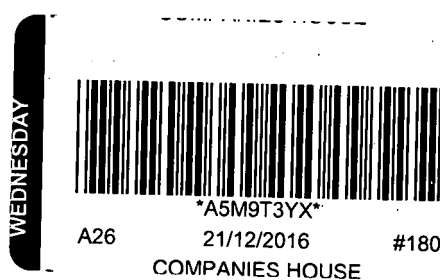


Registered number 3033290

TSP Projects Limited (Formerly Tata Steel UK Rail
Consultancy Limited)
Annual report and financial statements for the Year
Ended 31 March 2016



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A. Directors and advisors

Directors

B C Scott

N McCreanor

P R Martin

J Bolton (Resigned 24.03.2016)

M J Meyohas (appointed 31.05.2016)

N J Meyohas (appointed 31.05.2016)

D M Goldstein (appointed 31.05.2016)

R C Perlhagen (appointed 31.05.2016)

Secretary and registered office

S R Andrews

Meridian House

The Crescent

York

North Yorkshire

YO24 1AW

Company number

3033290

Auditor

Deloitte LLP

1 City Square

Leeds

United Kingdom

LS1 2AL

B. Strategic report

Introduction

The Directors have pleasure in presenting the strategic report of TSP Projects Limited (the "Company") for the year ended 31 March 2016.

The Company has chosen to present the financial statements in accordance with FRS 101 'Reduced Disclosure Framework', a framework for entities who apply the presentation, recognition, measurement and disclosure requirements of EU-adopted IFRS but also ensure compliance with any relevant legal requirements applicable to it.

Principal activities

The principal activity is the consultancy, design and installation of infrastructure projects, predominantly in the rail, construction and industrial, energy and power sectors. There have not been any significant changes in the principal activities in the year under review.

As shown on page 8 the Company made an operating profit of £1.3m (2015: £0.1m loss). The result was due to business growth and project performance. Profit before tax after one off pension credits of £6.1m was £6.8m (2015: £0.7m loss).

As disclosed in Note 14, the pension scheme on an IAS 19 (2011) basis was a £12.1m deficit (2015: deficit of £21.8m). The Company has committed to reduce the deficit and in the year to 31 March 2016 £0.8m of pension deficit recovery payments were paid by the company, in line with the recovery plan agreed with the Trustee. An additional section 75 payment was made by Tata Steel UK Limited for £6.1m in respect of their element of the British Rail Pension Scheme prior to the sale of the company resulting in a settlement gain of £6.1m arising in the year.

Going concern

The Directors have reviewed trading and cash flow forecasts as part of their going concern assessment, which take into account uncertainties in the current operating environment and have considered the availability of short term funding from the parent company should this be required.

Considering all the matters noted above, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Business review

The Company reported a profit after tax of £6.8m (2015: £0.7m loss). No dividend was paid during the current or prior year and the Directors do not recommend the payment of a final dividend (2015: £nil). Total net assets increased from £15.2m to £25.6m due to the retained profit for the year along with a net actuarial gain arising on the pension scheme during the year.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Company include financial risks, in particular credit risk. The Company has a risk management programme which seeks to mitigate the potential adverse effects of these risks on the Company's financial performance whilst not unduly constraining the Company's operations, or the exploitation of profitable opportunities.

Employees

Details of the number of employees and related costs can be found in Note 3 to the financial statements on page 14.

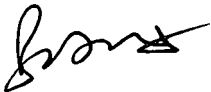
The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, and employs them where suitable work can be found. The requirements of job applicants and existing members of staff who have a disability are reviewed to ensure that reasonable adjustments are made to enable them to perform as well as possible during the recruitment process and while employed. All reasonable measures are taken to ensure that disabled employees are given the opportunity and facilities to participate fully in the workplace, in training and in career development and promotion opportunities. In addition, every effort is made to find appropriate alternative jobs for those who become disabled while working for the Company.

B. Strategic report

Future developments and subsequent events

On 11 April 2016 Tata Steel Europe Limited (TSE) announced the signing of a sale and purchase agreement to sell its Long Products business to Greybull Capital's Olympus Steel. This included TSP Projects Limited. The change of ownership took place on 31 May 2016 and the registered name of the company changed from Tata Steel UK Rail Consultancy Limited to TSP Projects Limited on that date.

Approved by the Board of Directors and signed on behalf of the Board



B C Scott
Director

Registered Office:
Meridian House,
The Crescent,
York
North Yorkshire,
YO24 1AW

14 December 2016

C. Directors' report

The Board

The directors of the Company are listed on page 2.

Directors' indemnity

The Company's articles of association provide, subject to the provisions of UK legislation, that the Company may indemnify any director or former director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Dividends

No dividend was paid during the current or prior year and the Directors do not recommend the payment of a final dividend (2015: £nil).

Statement as to disclosure of information to the Company's auditor

Each director in office at the date of this Directors' report confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) the director has taken all the relevant steps that he or she ought to have taken as a director in order to make himself or 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 section 418 of the Companies Act 2006.

Auditor

Deloitte LLP have indicated their willingness to be reappointed as auditor to the Company for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an AGM.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Credit risk is primarily attributable to the company's trade receivables. The company manages these risks in accordance with its risk management policies. The company does not use derivative financial instruments.

Information disclosed in the strategic report

The following information has been disclosed in the strategic report:

- A review of the business for the year (see page 3);
- Policies on employment of disabled persons, recruitment, training, employee involvement, communication and consultation (see page 3).

Approved by the Board of Directors and signed on behalf of the Board.



Stephen Andrews
Company Secretary

Registered Office:
Meridian House,
The Crescent,
York
North Yorkshire,
YO24 1AW

14 December 2016

D. Directors' responsibilities statement on the Company's financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 101 '*Reduced Disclosure Framework*' 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

E. Independent auditor's report to the members of TSP Projects Limited (Formerly Tata Steel UK Rail Consultancy Limited)

We have audited the financial statements of TSP Projects Limited (formerly Tata Steel UK Rail Consultancy Limited) for the year ended 31 March 2016 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the presentation of accounts and accounting policies and the related notes 1 to 19. 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) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit 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.

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.



Matthew Hughes BSc (Hons), ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
Leeds, United Kingdom

19 December 2016

F1. Income statement

For the financial year ended 31 March

	Note	2016 £'000	2015 £'000
Revenue	1	29,268	23,008
Operating costs	2	(27,931)	(23,104)
Operating profit / (loss)		1,337	(96)
Other gains and losses – pension settlement gain	14	6,147	-
Interest payable and similar charges	14	(700)	(600)
Profit/ (loss) before taxation		6,784	(696)
Taxation charge	5	-	-
Profit / (loss) after taxation		6,784	(696)

All revenues and operating profits are derived from continuing operations.

All references to 2016 in the financial statements, the presentation of accounts and accounting policies and the related Notes 1 to 19 refer to the financial year ended 31 March 2016 or as at 31 March 2016 as appropriate (2015: the financial year ended 31 March 2015 or as at 31 March 2015). The 2015 comparative figures have been restated on transition to FRS 101 (see Note 19).

Notes and related statements forming part of these accounts appear on pages 12 to 21.

F2. Statement of other comprehensive income

For the financial year ended 31 March

	Note	2016 £'000	2015 £'000
Profit / (loss) after taxation		6,784	(696)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain / (loss) on defined benefit pension plan	14	3,700	(7,800)
Total comprehensive income/ (loss) for the year		10,484	(8,496)

Notes and related statements forming part of these accounts appear on pages 12 to 21.

F3. Balance sheet

As at 31 March			
	Note	2016 £'000	2015 £'000
Non-current assets			
Intangible assets	6	-	-
Property, plant and equipment	7	-	-
Current assets			
Trade and other receivables	9	17,003	14,652
Amounts owed by parent undertaking	8	30,000	30,000
TOTAL ASSETS		47,003	44,652
Current liabilities			
Trade and other payables	11	(9,255)	(7,688)
Non-current liabilities			
Retirement benefit obligations	14	(12,100)	(21,800)
TOTAL LIABILITIES		(21,355)	(29,488)
NET ASSETS		25,648	15,164
Equity			
Called up share capital	15	-	-
Share premium account	16	30,000	30,000
Accumulated deficit		(4,352)	(14,836)
TOTAL EQUITY		25,648	15,164

The financial statements on pages 8 to 21 were approved by the board of directors and authorised for issue on 14 December 2016. They were signed on its behalf by:



B C Scott

14 December 2016

TSP Projects Limited

Registered No: 3033290

Notes and related statements forming part of these accounts appear on pages 12 to 21.

F4. Statement of changes in equity

	Called up Share capital £'000	Share premium account £'000	Accumulated deficit £'000	Total equity £'000
Balance as at 31 March 2014 – as previously reported	-	30,000	(9,140)	20,860
Changes on transition to FRS 101	-	-	2,800	2,800
Balance as at 31 March 2014 – as restated	-	30,000	(6,340)	23,660
Loss for the year	-	-	(696)	(696)
Other comprehensive loss for the year	-	-	(7,800)	(7,800)
Total comprehensive loss for the year	-	-	(8,496)	(8,496)
Balance as at 31 March 2015	-	30,000	(14,836)	15,164
Profit for the year	-	-	6,784	6,784
Other comprehensive income for the year	-	-	3,700	3,700
Total comprehensive income for the year	-	-	10,484	10,484
Balance as at 31 March 2016	-	30,000	(4,352)	25,648

Notes and related statements forming part of these accounts appear on pages 12 to 21.

F5. Presentation of accounts and accounting policies

I Basis of preparation

TSP Projects Limited is a private limited company incorporated in the United Kingdom under the Companies Act 2006. The functional and presentational currency of the Company is sterling. The address of the registered office is shown on page 2.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. FRS 101 'Reduced Disclosure Framework' ('FRS 101') as issued by the Financial Reporting Council becomes effective for accounting periods beginning on or after 1 January 2015. The Company has undergone transition from reporting under United Kingdom Accounting Standards (UKGAAP) to FRS 101. As such these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the prior year financial statements were restated on adoption of FRS 101 in the current year. In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring its assets and liabilities are measured in compliance with FRS 101. The impact of transition to FRS 101 is shown in Note 19.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to IAS 1, presentation of comparative information in respect of certain assets (including intangible and tangible assets), IAS 7, presentation of a cash flow statement, IAS 8, standards not yet effective, and IAS 24, related party transactions.

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior year.

As set out in the Strategic Report on page 3, the Board of Directors has assessed the ability of the Company to continue as a going concern and these financial statements have been prepared on a going concern basis.

II Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies described below the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The key sources of estimation uncertainty relates to determining the accounting assumptions required in relation to accounting for the defined benefit pension scheme and accounting for revenue and profit on contracts and are explained in accounting policies (b) and (g). Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

III Critical accounting policies

(a) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. This means using tax rates that have been enacted or substantially enacted by the end of the reporting period. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(b) Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Company operated a defined benefit pension scheme for eligible employees of the TSP Projects Limited Shared Cost Section of the Railways Pension Scheme up until 31 March 2013 at which point it was closed to further accrual for 'non protected' members, but is still active for a small group of 'protected' members. The assets of the Section are held in separate independent trustee administered funds. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at least triennially and updated at each reporting period end. The Company applies IAS 19 'Employee Benefits' (Revised in 2011) to recognise all actuarial gains and losses directly within retained earnings, presenting those arising in any one reporting period as part of the relevant statement of comprehensive income. In applying IAS 19, in relation to retirement benefits costs, the current service cost and net interest cost have been treated as a net expense within employment costs.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit liability recognised in the balance sheet represents the fair value of scheme assets less the present value of the defined benefit obligation as adjusted for unrecognised past service cost. Any asset resulting from

F5. Presentation of accounts and accounting policies

this calculation is limited to unrecognised past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(c) Property, plant and equipment

Property, plant and equipment is recorded at fair value on acquisition less accumulated depreciation and any recognised impairment loss.

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value.

The estimated useful lives for the main categories of property, plant and equipment are:

	Life Years
Office equipment	10
Computer software	4

(d) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at the end of each reporting period. Income statement items and cash flows are translated into sterling at the average rates for the financial period.

(e) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The detailed accounting treatment for such items can differ, as described in the following sections:

(i) Trade receivables

Trade receivables are initially recorded at their fair value and are subsequently measured at their amortised cost, as reduced by appropriate allowances for any impairment. Provisions for impairment are made where there is a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade debtor is determined to be uncollectable it is written off, firstly against any provision available and then to the income statement. Subsequent recoveries of amounts previously provided for are credited to the income statement.

(ii) Financial liabilities

Financial liabilities are classified according to the terms of the individual contractual arrangements.

(iii) Trade payables

Trade creditors are initially recorded at fair value and are subsequently measured at their amortised cost.

(f) Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

(g) Contract income

Contracts are assessed on a contract by contract basis. Revenue on contracts is recognised according to the stage reached in the contract by reference to the value of work done. An estimate of the profit attributable to work completed is recognised once the outcome of the contract can be

assessed with reasonable certainty. The amount by which revenue exceeds payments on account is shown under current assets as amounts recoverable on contracts. The costs on long term contracts not yet taken to the income statement less related foreseeable losses and payments on accounts are shown in inventories as long term contract balances. Contract losses are recognised in full when they can be foreseen.

F6. Notes to the financial statements

For the financial year ended 31 March

1. Revenue

The Company's revenue and profit/(loss) before taxation all arose from one class of business. All revenue arises from the rendering of services. An analysis of revenue by destination is shown below:

	2016 £'000	2015 £'000
UK	29,268	23,008

2. Operating costs

	2016 £'000	2015 £'000
Costs by type:		
Employment costs (note 3)	12,323	9,959
Depreciation	-	58
Other operating items (including rents, rates and general expenses)	15,608	13,087
	27,931	23,104

	2016 £'000	2015 £'000
The above costs are stated after including:		
Depreciation of owned assets	-	58
Operating lease rentals:		
Plant and machinery	72	26
Leasehold property	674	656

	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	10	11

3. Employees

	2016 £'000	2015 £'000
The total employment costs of all employees (including directors) in the Company were:		
Wages and salaries	10,540	8,290
Social security costs	979	909
Other pension costs	804	760
	12,323	9,959

(i) The average number of employees during the year was as follows:

	2016 Number	2015 Number
By activity:		
Technical	250	187
Administration	29	38
	279	225

F6. Notes to the financial statements

(ii) Directors' emoluments were as follows:

	2016 £'000	2015 £'000
Aggregate emoluments	361	400

Two directors (2015: two) did not receive emoluments in respect of services as a director from the Company during the year (2015: £nil). The directors are regarded as the key management personnel of the company.

Retirement benefits are accruing under defined contribution scheme to two (2015: three) individuals who were directors during the year. Pension contributions during the year in respect of these directors was £22,394 (2015: £28,000).

The highest paid director received emoluments of £189,880 (2015: £149,347) and pension contributions of £12,056 (2015: £11,988).

5. Taxation

The tax (charge)/credit represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years ("temporary differences") and it further excludes items that are never taxable or deductible ("permanent differences").

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. This means using tax rates that have been enacted or substantially enacted by the end of the reporting period. Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, deferred tax is recognised in the income statement.

	2016 £'000	2015 £'000
Current UK corporation tax	-	-

The total income statement (charge)/credit for the year can be reconciled to the accounting profit/(loss) as follows:

	2016 £'000	2015 £'000
Profit / (loss) before taxation	6,784	(696)
Profit / (loss) multiplied by the standard corporation tax rate of 20% (2015: 21%)	1,357	(146)
Effects of:		
Non (taxable)/deductible pension costs	(1,586)	9
Other non-deductible costs	-	1
Transfer pricing adjustment	432	456
Group relief claimed free of charge	(203)	(320)
	-	-

6. Intangible assets

	Computer software £'000	Total £'000
Cost as at 1 April 2015 and 31 March 2016	164	164
Amortisation as at 1 April 2015 and 31 March 2016	164	164
Net book value as at 31 March 2015 and 31 March 2016	-	-

F6. Notes to the financial statements

7. Property, plant and equipment

	Office equipment £'000	Computer software £'000	Total £'000
Cost as at 1 April 2015 and 31 March 2016	252	286	538
Amortisation as at 1 April 2015 and 31 March 2016	252	286	538
Net book value as at 1 April 2015 and 31 March 2016	-	-	-

8. Amounts owed by parent undertaking

As at 31 March	2016 £'000	2015 £'000
Amounts owed by parent undertaking	30,000	30,000

Interest is not charged on the amounts owed. The amounts owed by the parent undertaking are unsecured and classed as payable on demand but are not expected to be repaid within 12 months.

9. Trade and other receivables

Amounts falling due within one year:

As at 31 March	2016 £'000	2015 £'000
Trade receivables	4,534	4,423
Amounts recoverable on contracts	2,137	2,003
Amounts owed by parent undertaking	6,938	5,771
Amounts owed by group companies	1,028	77
Other taxation	5	5
Prepayments and accrued income	2,361	2,373
	17,003	14,652

Interest is not charged on the amounts owed from the parent and group undertakings. The amounts are unsecured and are classed as payable on demand.

10. Construction contracts

As at 31 March	2016 £'000	2015 £'000
Contracts in progress at the balance sheet date:		
Amounts due from contract customers included in trade and other receivables	2,137	2,003
Amounts due to contract customers included in trade and other payables	(3,126)	(2,642)
	(989)	(639)
Contract costs incurred plus recognised profits less recognised losses to date	54,184	46,935
Less: Progress billings	(55,173)	(47,574)
	(989)	(639)

F6. Notes to the financial statements

11. Trade and other payables

As at 31 March	2016 £'000	2015 £'000
Trade payables	4,026	4,240
Amounts owed to group undertakings	15	193
Other taxation and social security	425	119
Other creditors	1,663	494
Payments on account	3,126	2,642
	9,255	7,688

Amounts owed to group undertakings are repayable upon demand.

12. Deferred tax

A deferred tax asset has not been recognised in respect of pensions scheme timing differences of £22,153,000 (2015: £26,053,000) and property, plant and equipment timing differences of £476,000 (2015: £476,000) due to the uncertainty of utilisation. The Finance Act No.2 2015 was substantively enacted on 26th October 2015, and includes provisions to reduce the corporation tax to 19% with effect from 1st April 2017, and 18% with effect from 1st April 2020.

13. Operating leases

Future minimum lease payments for the Company at the end of the year are:

As at 31 March	2016		2015	
	Land and Buildings £'000	Equipment £'000	Land and Buildings £'000	Equipment £'000
Not later than one year	165	18	492	18
Later than one year and not later than five	509	54	164	8
More than five years	-	-	-	-
	674	72	656	26

14. Pensions and post-retirement benefits

The Company operated a defined benefit pension scheme for eligible employees up to 31 March 2016. The assets of this scheme are held in a separately administered fund under the Railways Pension Scheme, as the TSP Projects Limited Shared Cost Section ('The Scheme'). Non protected members ceased accruing benefits at 31 December 2013 and the remaining active members are subject to a revised pensionable pay definition.

The scheme is a shared cost arrangement where generally 60% of the cost of the scheme is met by the company and 40% by the active employee members of the section, however given the reduced number of active members (21) in the Section, the Company have assumed within the pension calculations that it will finance the entire deficit, hence now treating the Section as a balance of cost scheme rather than a shared cost scheme.

The defined benefit pension scheme employs the services of a qualified, independent consulting actuary, who carries out triennial actuarial valuations of the scheme. The most recent published actuarial valuation was carried out as at 31 December 2010, using the projected unit method, and formed the basis on which the recovery plan was put in place. The 31 December 2013 actuarial valuation in respect of the TSP Projects Limited Shared Cost Section of the Railways Pension Scheme has been produced, and agreement on the valuation of the Section and any subsequent Recovery Plan is still in negotiations with the Company and the Trustee.

The Company also participates in a defined contribution plan on behalf of relevant personnel. Any expense recognised in relation to the scheme represents the value of contributions payable during the year by the Company at rates specified by the rules. The cost of employer contribution under the defined contribution plan during the year was £404k (2015 £361k).

Actuarial assumptions

A range of assumptions must be used to determine the IAS 19 amounts and the values to be included in the balance sheet and income statement can vary significantly with only small changes in these assumptions.

F6. Notes to the financial statements

The key assumptions applied at the end of the reporting period for the purposes of the actuarial valuations were as follows:

2016	2016 %	2015 %
Salary growth	n/a	n/a
Pension increases	1.75	1.95
Discount rate	3.30	3.30
Inflation	2.75	2.95

The discount rate is set with reference to the yields available at the accounting date on high quality corporate bonds with a term which matches that of the liabilities.

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuations of the scheme. As part of the 2013 formal valuation process, a detailed analysis of the experience of the membership since the previous valuation was carried out and the demographic assumptions reviewed accordingly. Based on this analysis, the S1 "SAPS" standard mortality tables (as published by the actuarial profession based on mortality experience from self-administered pension schemes between 2000 and 2006) appropriate for amounts have been adopted for pensioners retiring in normal health. Different tables have been used for members above and below a certain level of earnings or pension, and the mortality rates from each table have been adjusted by varying degrees to match the experience of RPS members better.

Sensitivities

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, inflation, salary growth and mortality. The sensitivity analysis below has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period:

Assumption	Change in assumption	Approximate change in DBO £m
Discount rate	- 1.0% p.a.	11.6
Price inflation (CPI inflation)	+ 0.5% p.a	5.6
Life expectancy	+ 1 year	1.9

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the balance sheet.

The market value of pension assets and liabilities is significantly greater than the net assets of the Company and, therefore, any change can have a material impact on the Company's financial statements as well as impacting the level of company pension contributions.

Income statement costs

Under IAS 19, costs in relation to pension and post-retirement plans mainly arise as follows:

- The current service cost is the actuarially determined present value of the pension benefits earned by employees in the current period. No charge or credit is reflected here for any surplus or deficit in the scheme and so the cost is unrelated to whether, or how, the scheme is funded.
- Net interest cost/(income) on the liability or asset recognised in the balance sheet

These items are treated as a net operating cost in the income statement within employment costs.

Variations from expected costs, arising from the experience of the plans or changes in actuarial assumptions, are recognised immediately in the statement of comprehensive income. Examples of such variations are differences between the discount rate used for calculating return on scheme assets (credited to profit and loss) and the actual return, the re-measurement of scheme liabilities to reflect changes in discount rates, changes in demographic assumptions such as using updated mortality tables, or the effect of more employees leaving service than forecast.

F6. Notes to the financial statements

Income statement pension costs arose as follows:

	2016 £'000	2015 £'000
Current service cost	200	100
Net interest cost	700	600
Administration cost	200	400
Settlements, curtailments and past service costs	(6,147)	-
Defined benefit schemes	(5,047)	1,100
Defined contribution schemes	404	361
Total (credit) / charge for the year	(4,643)	1,461

Plan Assets

The asset classes include national and international stocks, fixed income government and non-government securities and real estate. The majority of the reported plan assets are located in UK and EU. The pension funds invest in diversified asset classes to maximise returns while reducing volatility. The percentage of total plan assets for each category of investment in the BSPS was as follows:

	2016 %	2015 %
Quoted:		
Equities – UK Entities	1.60%	1.98%
Equities – Non-UK Entities	23.90%	24.07%
Bonds – Fixed Rate	39.04%	27.95%
Bonds – Index Linked	0.95%	0.06%
Other		
Unquoted:		
Property	6.32%	7.24%
Derivatives	0.01%	0.41%
Cash and cash equivalents	7.38%	12.17%
Other	20.79%	26.13%
	100%	100%

Balance sheet measurement

In determining the amounts to be recognised in the balance sheet the following approach has been adopted:

- Pension scheme assets are measured at fair value (for example for quoted securities this is the bid-market value on the relevant public exchange).
- Pension liabilities include future benefits that will be paid to pensioners and deferred pensioners, and accrued benefits which will be paid in the future for members in service taking into account projected earnings. As noted above, the pension liabilities are discounted with reference to the current rate of return on AA rated corporate bonds of equivalent currency and term to the pension liability.

Amounts recognised in the balance sheet arose as follows:

	2016 £'000	2015 £'000
Fair value of plan assets at end of year	47,400	39,600
Present value of obligation at end of year	(59,500)	(61,400)
Defined benefit liability at end of year	(12,100)	(21,800)
Arising from:		
Funded schemes	(12,100)	(21,800)
Unfunded schemes	-	-

F6. Notes to the financial statements

The movements in the present value of plan assets and defined benefit obligations in 2016 and 2015 were as follows:

	2016 £'000	2015 £'000
Plan assets:		
At 1 April	39,600	35,600
Interest income on plan assets	1,300	1,600
Administrative expenses	(200)	(400)
Actuarial gain due to financial assumption changes	1,200	3,400
Contributions from the employer	7,100	900
Benefits paid	(1,600)	(1,500)
At 31 March	47,400	39,600
Defined benefit obligations:		
At 1 April	61,400	49,400
Current service cost	200	100
Interest cost on the defined benefit obligation	2,000	2,200
Actuarial gain/(loss) due to actuarial experience	(400)	4,200
Actuarial gain/(loss) due to financial assumption changes	(2,100)	6,800
Actuarial loss due to demographic assumption changes	-	200
Benefits paid	(1,600)	(1,500)
At 31 March	59,500	61,400

Actuarial gains / (losses) recorded in the Statement of comprehensive income for the year were a gain of £3,700,000 (2015: £7,800,000 loss).

15. Called up share capital

The share capital of the Company is shown below as at 31 March:

Authorised	2016 £	2015 £
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

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

16. Share premium

The share premium of the Company is shown below as at 31 March:

	2016 £	2015 £
Share premium	29,999,999	29,999,999

17. Related party transactions

During the year ended 31 March 2016, the Company provided labour and design services to the THJV to the value of £8,240,317 (2015: £3,905,355). The THJV is an unincorporated association between the Company and Halcrow (now CH2M Hill) Group Limited, to provide professional services to Network Rail under the PSSF (Professional Support Services Framework – Multi discipline design services). The charges were made on normal commercial terms and the THJV owed £758,240 (2015: £460,047).

F6. Notes to the financial statements

18. Ultimate and immediate parent company

Throughout the year to 31 March 2016, Tata Steel UK Limited (TSUK) was the Company's immediate parent company. TSUK is registered in England and Wales. Tata Steel Europe Limited (TSE) and Tata Steel UK Holdings Limited (TSUKH) are intermediate holding companies, registered in England and Wales, with TSUKH the smallest group to consolidate these financial statements. Tata Steel Limited (TSL), a company incorporated in India, was the ultimate parent company and controlling party and the largest group to consolidate these financial statements.

Copies of the Report & Accounts for TSUK, TSUKH and TSE may be obtained from the Secretary, 30 Millbank, London, SW1P 4WY. Copies of the Report & Accounts for TSL may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400 001.

On 31 May 2016 the company's shares were acquired by British Steel Limited (BSL) and on that date, TSUK completed the sale of BSL to Greybull Capital. From 31 May 2016 British Steel Limited is the Company's immediate parent company. BSL is registered in England and Wales and Olympus Steel 2 Limited is its ultimate holding company. The ultimate controlling party is Greybull Capital LLP.

19. Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements prepared under a previous GAAP (UK GAAP) were for the year ended 31 March 2015 and the date of transition to FRS 101 was therefore 1 April 2014.

Reconciliation of equity

	31 March 2015 £'000	1 April 2014 £'000
Equity reported under previous UK GAAP	11,264	20,860
Adjustments to Equity on transition to FRS 101:		
Defined benefit pension plans (i)	3,900	2,800
Equity reported under FRS 101	15,164	23,660

Reconciliation of total comprehensive income

	2015 £m
Total comprehensive loss for the financial year under previous UK GAAP	(9,596)
Adjustments to comprehensive loss on transition to FRS 101	
Defined benefit pension and other post-retirement plans (i)	(900)
Actuarial gains on defined benefit pension plan	2,000
Total comprehensive loss reported under FRS 101	(8,496)

(i) Retirement benefit schemes were previously accounted for in accordance with FRS 17 under UK GAAP. Under FRS 17 an allowance was recorded within the defined benefit obligation for expected future administration costs and this has been removed on transition to FRS 101. The relevant adjustments result in an increase in equity of £2.8m on transition, a decrease to prior period reported profits of £900,000 and an increase in other comprehensive income of £2m.

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