
WALKERSTEELSTOCK IRELAND LIMITED
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2017

Company No. 36453

Walkersteelstock Ireland Limited
Annual Report 2017

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Company information

Board of directors

C Conway (Resigned: 25 May 2016)
C Harvey (Appointed: 20 December 2016)
E O'Reilly (Resigned: 19 December 2016)
SV Gidwani

Company secretary

SV Gidwani

Registered office

Tata Steel Service Centre
Steel House
Bluebell Industrial Estate
Bluebell Avenue
Dublin 12
D12 V227

Registered number: 36453

Solicitors

Tata Steel Europe Limited
Legal Department
30 Millbank
London SW1P 4WY
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

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Directors' Report for the financial year ended 31 March 2017

The directors present their report and the audited financial statements of the Company for the financial year ended 31 March 2017.

These financial statements have been prepared in accordance with FRS 101 *'Reduced Disclosure Framework'*, a framework for entities that apply the presentation, recognition and measurement requirements of EU-adopted IFRS but with reduced disclosures and also ensures compliance with any relevant legal requirements applicable to it.

Business review, principal activities and future developments

The principal activity of the Company is that of an investment holding company. The state of affairs of the Company is considered by the directors to be satisfactory.

The Company's directors do not believe that key performance indicators (or discussion thereof) are appropriate for an understanding of the development, performance or position of the Company. The performance of Tata Steel Europe Limited (TSE), which includes the Company, is discussed in its Annual Report, which does not form part of this report.

The total assets, liabilities and net liability position of the Company at 31 March 2017 and 31 March 2016 was €1,617,863, €1,618,002 and €139 respectively.

Results and dividends

The result for the financial year amounted to nil (2016: loss of €487,793).

All expenses associated with the Company have been borne by Tata Steel UK Limited (TSUK). The directors do not recommend the payment of a dividend (2016: €nil).

Principal risks and uncertainties

Group risks are discussed in the Tata Steel Europe (TSE) Annual report, which does not form part of this report. Risks specific to Walkersteelstock Ireland Limited are in relation to the trading performance of the investments held by the Company. This is monitored by the directors, primarily through communication with management of the companies and through the use of regularly updated forecasts. If the directors believe there is a permanent diminution in value, an impairment will be recognised.

Directors

The current directors of the Company and those who served at any time during the financial year are set on page 2.

Directors' and secretary's interest

The directors and secretary who held office at 31 March 2017, and their families, had no interest in the shares of the Company or any other group company at 1 April 2016 and at 31 March 2017.

Subsidiaries

Details in respect of subsidiary companies are set out in Note 5 to the financial statements.

Accounting records

The directors acknowledge their responsibilities under Sections 281 to 285 of the Companies Act 2014 to keep accounting records for the Company. The accounting records are kept at the following address: Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12, D12 V227, Ireland.

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Directors' Report for the financial year ended 31 March 2017

Going concern

Tata Steel Europe Limited ('TSE') and its subsidiaries are financed in part through the Senior Facilities Agreement and other long term loans introduced by the parent from time to time and in part through working capital support provided by Tata Steel Global Procurement Co. Pte Limited ('TSGP') a subsidiary of Tata Steel Limited ('TSL'), under arrangements which have been authorised, and are supported, by TSL. TSL has approved the continued provision of working capital support to TSE and its subsidiaries (including the Company) and the operations of TSE's material subsidiaries, including in the Netherlands and the UK, subject to certain restrictions which in respect of Tata Steel UK ('TSUK'), a wholly owned subsidiary of Tata Steel Europe and a parent of the Company, includes agreement on a Regulated Apportionment Arrangement ('RAA') of the British Steel Pension Scheme ('BSPS'). The trading performance of the TSE Group, including the UK and the Company, in FY 2016/17 has continued to require financial support from TSL. It is thought that this may well continue but at a much-reduced level during FY 2017/18, when the outlook is much improved.

Further very material evidence of continued TSL support is seen in the commitment of TSL affiliates to provide the required financing of c.£550m which will need to be paid by TSUK to achieve a Regulated Apportionment Arrangement ('RAA') of the British Steel Pension Scheme ('BSPS') obligations of TSUK and the other BSPS employer entities. The completion of the RAA with relation to the BSPS, which was the subject of the TSL announcement on 16 May 2017, constitutes a material event for TSUK, and in its absence it is expected that there would be a very large BSPS funding deficit which could cast significant doubt about TSUK's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. Until the conclusion of the process, there continues to be a material uncertainty as to whether the BSPS restructuring will be completed.

For these reasons, while the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future, they have concluded that until the RAA process is concluded there exists a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, the Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was not a going concern as it is not practicable to identify or quantify them.

Future developments

The Company has no significant future developments to report under this section.

Audit Information

So far as the directors are aware, there is no relevant audit information of which the company's statutory auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Auditor

Deloitte LLP acted as auditor of the Company for the financial year ended 31 March 2017. It is the intention of the directors to appoint PriceWaterhouseCoopers LLP as auditor for the financial year ending 31 March 2018.

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



SV Gidwani
Director
27. July 2017



C Harvey
Director
27. July 2017

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Directors' responsibilities Statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework ("relevant financial reporting framework"). 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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

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Independent Auditor's Report to the Members of Walkersteelstock Ireland Limited

We have audited the financial statements of Walkersteelstock Ireland Limited for the financial year ended 31 March 2017 which comprise the Income statement, the Balance Sheet, Statement of changes in equity and the related notes 1 to 9. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 101 '*Reduced Disclosure Framework*' ("relevant financial reporting framework").

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state 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 and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish 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 Walkersteelstock Ireland Limited Report and Financial statements 2017 for the financial year ended 31 March 2017 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 assets, liabilities, and financial position of the Company as at 31 March 2017 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework; and in particular with the requirements of the Companies Act 2014.

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Independent Auditor's Report to the Members of Walkersteelstock Ireland Limited

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Directors' Report on page 4 and within the notes to the financial statements concerning the Company's ability to continue as a going concern. The completion of the Regulated Apportionment Arrangement ('RAA') in relation to the British Steel Pension Scheme ('BSPS') constitutes a material event for the Company's parent, Tata Steel UK ('TSUK'), and in its absence it is expected that there would be a very large BSPS funding deficit which could cast significant doubt about the Company's ability to continue as a going concern. These conditions, along with the other matters explained in the Directors' Report on page 4 and within the notes to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report 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 provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London,
United Kingdom
27 July 2017

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Income statement for the financial year ended 31 March 2017

	Notes	31 March 2017 €	31 March 2016 €
Other operating costs		-	(487,793)
Operating loss	2	-	(487,793)
Loss on ordinary activities before taxation		-	(487,793)
Tax on profit/(loss) on ordinary activities	4	-	-
Loss for the financial year		-	(487,793)

The loss before taxation derives entirely from continuing activities.

The Company has no gains or losses other than as above and therefore no separate statement of total comprehensive income has been presented.

Notes and related statements forming part of these financial statements appear on pages 11 to 14.


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Balance sheet as at 31 March 2017

	Notes	31 March 2017 €	31 March 2016 €
Fixed assets			
Investments in subsidiaries	5	1,617,863	1,617,863
Current assets			
Debtors	6	-	-
Net current assets			
		-	-
Total assets			
		1,617,863	1,617,863
Creditors: amounts falling due within one year			
		(1,618,002)	(1,618,002)
Net liabilities			
		(139)	(139)
Capital and reserves			
Called up share capital presented as equity	8	9,760,030	9,760,030
Share premium		1,617,851	1,617,851
Accumulated deficit		(11,378,020)	(11,378,020)
Total equity			
		(139)	(139)

The financial statements were approved by the Board of Directors on ²⁷ July 2017 and are signed on its behalf by:


SV Gidwani
Director


C Harvey
Director

Notes and related statements forming part of these financial statements appear on pages 11 to 14.

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Statement of changes in equity

	Share Capital €	Share Premium €	Accumulated Deficit €	Total Equity €
Balance as at 31 March 2016	9,760,030	1,617,851	(11,378,020)	(139)
Total comprehensive loss for the financial year	-	-	-	-
Balance as at 31 March 2017	9,760,030	1,617,851	(11,378,020)	(139)

	Share Capital €	Share Premium €	Accumulated Deficit €	Total Equity €
Balance as at 31 March 2015	9,760,030	1,617,851	(10,890,227)	487,654
Total comprehensive loss for the financial year	-	-	(487,793)	(487,793)
Balance as at 31 March 2016	9,760,030	1,617,851	(11,378,020)	(139)

Notes and related statements forming part of these financial statements appear on pages 11 to 14.

Notes to the financial statements

1. Principal accounting policies

The financial statements have been prepared in accordance with FRS 101 *'Reduced Disclosure Framework'*.

The Company meets the definition of a qualifying entity under FRS 100 *'Application of Financial Reporting Requirements'* issued by the Financial Reporting Council in the UK, and promulgated by the Institute of Chartered Accountants in Ireland. FRS 101 *'Reduced Disclosure Framework'* ('FRS 101') became effective for accounting periods beginning on or after 1 January 2015 and the Company has prepared its financial statements under this standard. The Company underwent a transition to reporting under FRS 101 during the financial year ended 31 March 2016.

As permitted by FRS 101, the Company has taken advantage of the relevant disclosure exemptions available under that standard in relation to IAS 1, presentation of comparative information in respect of investments in subsidiaries; IAS 7, presentation of a cash flow statement; IAS 8, standards not yet effective; IFRS 7, financial instruments disclosures and IAS 24, related party transactions with Tata Steel group companies.

The Company has elected to measure its investments in subsidiaries at cost less, where appropriate, allowances for impairment.

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 financial year.

Accounting convention and group financial statements

The financial statements are prepared in accordance with the historical cost convention. The currency used in these financial statements is the Euro, denoted by the symbol "€", which is the Company's functional currency. Group financial statements have not been prepared as the Company is a wholly owned subsidiary of TSE, for which group financial statements are prepared.

Financial assets

All investments in group undertakings are held at cost value with provisions being made for any permanent impairment. Impairment reviews are carried out where there are events or changes in circumstances that indicate that the carrying amount of the investment may not be recoverable. Where there is an impairment loss it is recognized in the income statement.

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 financial 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 financial years ("temporary differences") and it further excludes items that are never taxable or deductible ("permanent differences").

Notes to the financial statements

Taxation (continued)

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 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 financial year 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 financial year. 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.

2. Operating Loss

	31 March 2017 €	31 March 2016 €
Costs by type:		
Impairment of investment in subsidiary undertaking	-	116,054
Impairment of debtors	-	371,739
	<u>-</u>	<u>487,793</u>

The auditor's remuneration for the audit of the Company's financial statements was €2,000 (2016: €2,000). The auditor's remuneration was borne by Tata Steel UK Limited ('TSUK') in both the current and prior financial year. There were no non-audit fees in the current or prior financial year.

3. Directors' emoluments and employee information

There were no employees during the financial year (2016: nil).

Directors' remuneration is €nil for both the current and prior financial year. Therefore all section 305 and 306 Companies Act 2014 disclosures are €nil for the current and prior financial year.

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Notes to the financial statements

4. Tax on profit/(loss) on ordinary activities

	31 March 2017	31 March 2016
	€	€
Tax charge	-	-

The total taxation amount for the financial year can be reconciled to the accounting loss as follows:

Loss before taxation	-	(487,793)
Loss multiplied by the standard corporation tax rate of 12.5% (2016: 12.5%)	-	(60,974)
Effects of:		
Permanent differences	-	60,974
	-	-

5. Investments in subsidiaries

	31 March 2017	31 March 2016
	€	€
Cost at 1 April 2016	16,750,136	16,750,136
Disposal	(15,132,273)	-
Cost at 31 March 2017	1,617,863	16,750,136
Accumulated impairment at 1 April 2016	(15,132,273)	(15,016,219)
Impairment loss recognised	-	(116,054)
Disposal of impairment	15,132,273	-
Accumulated impairment at 31 March 2017	-	(15,132,273)
Net book value at 31 March 2017	1,617,863	1,617,863
Net book value at 31 March 2016	1,617,863	1,733,917

On an annual basis a review of the Company's investments for impairment indicators is performed. The outcome of the test at 31 March 2017 resulted in no further permanent diminution in the value of the Company's investment (2016: a permanent diminution of €116,054).

Name of undertaking as at 31 March 2017	Country of registration	Description of shares held	Proportion of nominal value of issued shares held
Lister Tubes Ltd (dormant)	Republic of Ireland	€1.269738 ordinary shares	90%

During the financial year, the Company disposed of its investment in The Steel Company of Ireland for a nominal consideration.

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Notes to the financial statements

6. Debtors: amounts due within one year

	31 March 2017	31 March 2016
	€	€
Amounts owed by fellow group undertakings	371,739	371,739
Less: provision for impairment	<u>(371,739)</u>	<u>(371,739)</u>
	-	-

7. Creditors: amounts falling due within one year

	31 March 2017	31 March 2016
	€	€
Amount owed to fellow group undertakings	<u>1,618,002</u>	<u>1,618,002</u>

The amounts owed to group undertakings are free of interest and no date has been fixed for the discharge of the debt.

8. Called up share capital presented as equity

	31 March 2017	31 March 2016
	€	€
Authorised share capital		
10,000,000 ordinary shares of €1.269738 each	<u>12,697,380</u>	<u>12,697,380</u>
Allotted, called up and fully paid		
7,686,649 ordinary shares of €1.269738 each	<u>9,760,030</u>	<u>9,760,030</u>

All shares are presented as equity in the balance sheet.

9. Ultimate parent company

The Company's immediate parent undertaking is Gamble Simms Metals Limited, which is registered in the Republic of Ireland. Tata Steel Europe Limited (TSE) and Tata Steel UK Holdings Limited (TSUKH) are the immediate holding companies, registered in England and Wales, with TSUKH being the smallest group to consolidate these financial statements.

Copies of the Annual Report for TSUKH may be obtained from the Company secretary, 30 Millbank, London, SW1P 4WY.

Tata Steel Limited (TSL), a company incorporated in India, is the ultimate parent company, controlling party and the largest group to consolidate these financial statements.

Copies of TSL's Annual Report may be obtained from Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 India.

