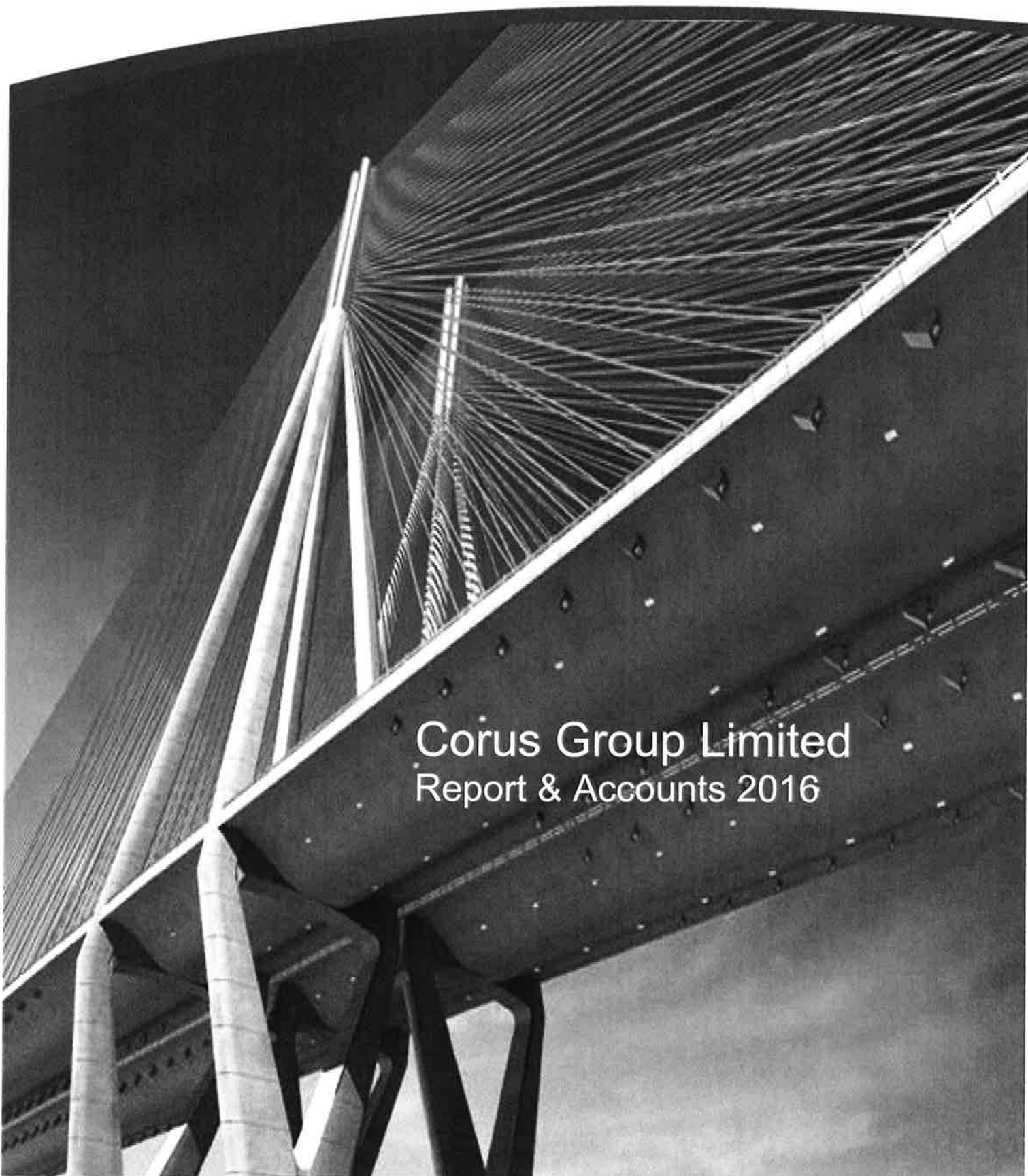


TATA STEEL



Corus Group Limited
Report & Accounts 2016

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A. Directors and advisors

Directors

NK Misra

H Matheson

Secretary and registered office

SV Gidwani

30 Millbank

London

SW1P 4WY

Company number

03811373

Auditor

Deloitte LLP

Bristol

B. Strategic report

Introduction

The directors present the Strategic report of Corus Group Limited ('the Company') for the year ended 31 March 2016. These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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.

Principal activities

The Company is a wholly owned subsidiary of Tata Steel Netherlands Holdings BV ('TSNH'). Group accounts have not been prepared as the Company is a wholly owned subsidiary within the Tata Steel Europe Limited ('TSE') Group which has prepared consolidated accounts for the year to 31 March 2016. The Company is exempt from the obligation to prepare and deliver group accounts under section 400 of the Companies Act 2006.

The principal activity of the Company is that of an investment holding company. Further details of the investments are shown in note 5 and 14 of the accounts.

There have been no significant changes to the principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

Business review

The Company is managed as an integral part of the TSE Group. The business issues impacting TSE have been disclosed in the Business review section of the Strategic report in its Annual Report & Accounts.

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 TSE, which includes the Company, is discussed in its Annual Report & Accounts, which does not form part of this report.

Results

The loss for the year after taxation amounts to £478m (2015: loss of £1,721m) which includes a permanent diminution of £445m in the value of the Company's investment in Tata Steel UK Limited due to weaker market conditions mainly in the UK construction market, which is expected to remain weak over the near and medium term.

Employees

The Company had no employees in either the current or prior period, as shown in note 2 of the accounts.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. The Company operates in accordance with TSE Group policies. Activities designed to minimise the Company's impact on the environment include improving its energy use efficiency and reducing the production of waste (both hazardous and non-hazardous).

Principal risks and uncertainties

Investments in subsidiary undertakings

The Company holds a number of investments in subsidiary companies. Although the directors are satisfied that the recoverable amount of the investments is not less than their book value, there is a risk that in future periods the book value may become impaired.

Going concern

On 29 March 2016, following a recommendation from Tata Steel Limited ('TSL'), the Company's ultimate shareholder, the Directors of Tata Steel Europe Limited ('TSE') resolved to consider all possible restructuring options including the potential divestment of Tata Steel UK Limited ('TSUK'). This process has started and remains ongoing but, pending its conclusion, the outcome of the restructuring or sale remain uncertain.

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

B. Strategic report

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 the operations of TSE's material subsidiaries, including in the Netherlands and the UK, subject to certain restrictions. The Netherlands subsidiary continues to be cash generative and trading performance of the Group, including the UK, in quarter one FY 2016/17 has been positive leading to an improved outlook for the remainder of the financial year.

Based on the mandate of the ultimate parent of the Company, TSL, on 29 March 2016, the Board of TSE announced that it is evaluating all options for TSUK, including the potential divestment. On 8 July 2016, the board of TSL announced that it has decided to also look at alternative and more sustainable portfolio solutions for the European business, including discussions with strategic players in the steel industry in relation to a potential joint venture. Currently, the process of evaluation of potential transactions is underway and representatives of TSE remain engaged in discussions with the UK and Welsh Government to facilitate the restructuring options. In the absence of a conclusive outcome of a restructuring, sale or another strategic solution, there exists a material uncertainty for the future of TSUK.

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 there exists a material uncertainty which may cast significant doubt about TSUK's ability to continue as a going concern. The Company has considered the position of TSUK, its arrangements with TSUK and the mitigating actions that could be taken and on this basis the directors of the Company have concluded that it is appropriate to prepare these financial statements for the Company on a going concern basis. However, if TSUK were not a going concern, adjustments might be required to the Company's financial statements, in particular to write down the carrying value of the investment in subsidiary undertakings in the Company's own balance sheet.

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

from a potential sale or restructuring as it is not practicable to identify or quantify them.

Future developments and subsequent events

On 23 June 2016 the British public voted in a referendum for the UK to leave the European Union. The political and economic impact of this decision is uncertain and may represent a risk but also opportunity to the Company's business. The Company is currently assessing the impact of the decision on its business.

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



NK Misra
Director

19 July 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 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 dividends were paid or proposed in the year (2015: £nil). The directors do not recommend that a final dividend be paid.

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

Each director in office at the date of this Directors' 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 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 for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Information disclosed in the Strategic report

In accordance with section 414C (11) of the Companies Act 2006 the directors have chosen to disclose the following information in the Company's Strategic report:

- Factors likely to affect the Company's future development and position;
- The Company's employees; and
- Going concern disclosure.

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



NK Misra

Director

19 July 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on a 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.

E. Independent auditor's report to the members of Corus Group Limited

We have audited the financial statements of Corus Group Limited for the year ended 31 March 2016 which comprise the income statement, the balance sheet, the statement of changes in equity 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), including FRS 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 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.

Emphasis of matter – carrying value of assets relating to Tata Steel UK Limited ('TSUK')

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in page 3 of the Strategic Report and on page 12 of the financial statements concerning the material uncertainty relating to the ongoing restructuring and sales process of the Company's subsidiary TSUK. The uncertainty over the completion of the restructuring or sale of TSUK and the provision of working capital support to TSUK along with the other matters set out on page 3 indicate the existence of a material uncertainty which may 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. The directors have considered the position of TSUK, its arrangements with TSUK and the mitigating actions it could take and on this basis the directors have concluded that it is appropriate to prepare the financial statements for the Company on a going concern basis. However, if TSUK were not a going concern, adjustments might be required to the financial statements to write down the carrying value of the investment in subsidiary undertakings in the Company's balance sheet. The financial statements do not include the adjustments that would result from a potential sale or restructuring as it is not practicable to identify or quantify them.

E. Independent auditor's report to the members of Corus Group Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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.

Andrew Wright

Andrew Wright FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
July 2016

F1. Income statement

For the financial year ended 31 March

	Note	2016 £m	2015 £m
Operating costs	1	(445)	(1,691)
Operating loss		(445)	(1,691)
Finance costs	3	(33)	(30)
Loss before taxation		(478)	(1,721)
Taxation	4	-	-
Loss after taxation		(478)	(1,721)

The result in the current and prior year derives entirely from continuing activities.

All references to 2016 in the financial statements, the Presentation of accounts and accounting policies and the related notes 1 to 14 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).

Statement of comprehensive income

The Company has no other gains and losses other than these included in the income statement above, and therefore no separate statement of comprehensive income has been presented.

Notes and related statements forming part of these accounts appear on pages 14 to 16.

F2. Balance sheet

As at 31 March			
	Note	2016 £m	2015 £m
Non-current assets			
Investments in subsidiary undertakings	5	906	1,351
TOTAL ASSETS		906	1,351
Current liabilities			
Other payables	6	(19)	(18)
		(19)	(18)
Non-current liabilities			
Inter-group borrowings	7	(748)	(716)
Provisions	10	(4)	(4)
		(752)	(720)
TOTAL LIABILITIES		(771)	(738)
NET ASSETS		135	613
Equity			
Share capital	11	1,750	1,750
Share premium		454	454
Other reserves		133	133
Accumulated deficit		(2,202)	(1,724)
TOTAL EQUITY		135	613

The financial statements on pages 9 to 16 were approved by the Board of Directors and signed on its behalf by:



NK Misra
19 July 2016
Corus Group Limited
Registered No: 03811373

Notes and related statements forming part of these accounts appear on pages 14 to 16.

F3. Statement of changes in equity

	Share capital £m	Share premium £m	Other reserves £m	Accumulated deficit £m	Total equity £m
Balance as at 31 March 2015	1,750	454	133	(1,724)	613
Total comprehensive loss for the period	-	-	-	(478)	(478)
Balance as at 31 March 2016	1,750	454	133	(2,202)	135

Notes and related statements forming part of these accounts appear on pages 14 to 16.

F4. Presentation of accounts and accounting policies

I Basis of preparation

Corus Group Limited is a private limited company incorporated in London in the United Kingdom under the Companies Act 2006. The functional and presentational currency of the Company is sterling.

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 (UK GAAP) to FRS 101 during the year. As such these financial statements were prepared in accordance with FRS 101. In the transition to FRS 101, the Company has applied IFRS 1; first-time adoption of International Financial Reporting Standards, whilst ensuring its assets and liabilities are measured in compliance with FRS 101. No transition notes have been prepared for the opening balance sheet as there have been no effects of transition to FRS 101.

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 chosen to early adopt the amendments to FRS 100 and 101 (September 15), updated to reflect changes to UK company law to implement the EU Accounting Directive. Two of the key aspects of the amendments include; greater flexibility in relation to the format of the income statement and balance sheet, allowing the use of a presentation close to IFRS-based financial statements and removal of the requirement to present a third balance sheet on adoption of IFRS 1. As a result, changes to company law SI2015/980 have also been adopted in the financial year.

The Company has elected to measure its investments in subsidiaries and joint ventures at cost and on transition to FRS 101 has elected to measure its investments at the previous GAAP carrying value at the date of transition.

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 period.

Group accounts have not been prepared as the Company is a wholly owned indirect subsidiary of Tata Steel UK Holdings Limited ('TSUKH'), which has prepared consolidated accounts for the year ended 31 March 2016. Details of TSUKH are shown in note 12.

On 29 March 2016, following a recommendation from Tata Steel Limited ('TSL'), the Company's ultimate shareholder, the Directors of Tata Steel Europe Limited ('TSE') resolved to consider all possible restructuring options including the

potential divestment of Tata Steel UK Limited ('TSUK'). This process has started and remains ongoing but, pending its conclusion, the outcome of the restructuring or sale remain uncertain.

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

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 the operations of TSE's material subsidiaries, including in the Netherlands and the UK, subject to certain restrictions. The Netherlands subsidiary continues to be cash generative and trading performance of the Group, including the UK, in quarter one FY 2016/17 has been positive leading to an improved outlook for the remainder of the financial year.

Based on the mandate of the ultimate parent of the Company, TSL, on 29 March 2016, the Board of TSE is evaluating all options for TSUK, including the potential divestment. Currently, the process of evaluation of a potential divestment is underway and representatives of TSE are engaged in discussions with the UK and Welsh Government to facilitate the restructuring options. In the absence of a conclusive outcome of the restructuring or sale, there exists a material uncertainty for the future of TSUK.

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 there exists a material uncertainty which may cast significant doubt about TSUK's ability to continue as a going concern. The Company has considered the position of TSUK, its arrangements with TSUK and the mitigating actions that could be taken and on this basis the directors of the Company have concluded that it is appropriate to prepare these financial statements for the Company on a going concern basis. However, if TSUK were not a going concern, adjustments might be required to the Company's financial statements, in particular to write down the carrying value of the investment in subsidiary undertakings in the Company's own balance sheet.

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 from a potential sale or restructuring as it is not practicable to identify or quantify them.

II Use of estimates and critical accounting judgements

The preparation of accounts in accordance with FRS 101 requires management to make estimates and assumptions that affect the:

- (i) reported amounts of assets and liabilities;
- (ii) disclosure of contingent assets and liabilities at the date of the accounts; and
- (iii) reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below.

F4. Presentation of accounts and accounting policies

Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to impairment of investments and provisions created for environmental remediation. Each of these areas relies upon a number of estimates and judgements which are subject to uncertainty and which may lead to an adjustment within the next financial year.

A significant part of the Company's capital is invested in group undertakings. Determining whether these assets are impaired requires an estimation of value in use of the cash generating unit ('CGU') to which the asset relates. Value in use calculations require an estimation of future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Further details on the Company's impairment review and key assumptions are set out in note 5.

Estimates in calculating provisions for environmental remediation are based on previous experience and third party advice and are reassessed on a regular basis. Judgement is required in assessing the likely costs and the timing of those costs. Further details on the Company's provisions can be found in note 10.

The detailed accounting policies for each of these areas are outlined in section III below.

III Accounting policies

(a) Financing items

Interest expenses are expensed as incurred.

(b) 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. 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 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.

(c) Provisions

Provisions for environmental remediation are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. This involves a series of management judgements and estimates that are based on past experience of similar events and third party advice where applicable. Where appropriate and relevant those provisions are discounted to take into consideration the time value of money.

(d) Financial assets and liabilities

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) Financial liabilities

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

(ii) Inter-group borrowings

Interest-bearing inter-group borrowings are initially recorded at their fair value which is generally the proceeds received. These borrowings are subsequently measured at amortised cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(e) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost, which includes transaction expenses. Impairment losses are made if events or circumstances indicate that the carrying amount may not be recoverable. Income from investments in subsidiary undertakings comprises dividends declared up to the balance sheet date and, where relevant, is shown before deduction of overseas withholding taxes. This principle is applied to all investments except for the investment in Tata Steel UK Limited which is recorded as the aggregate of the nominal value of shares issued to acquire the investment and fair value of other consideration given.

F5. Notes to the financial statements

For the financial year ended 31 March

1. Operating costs

	2016	2015
	£m	£m
Costs by type:		
Impairment losses related to investments in subsidiary undertakings (Note 5)	445	1,691
	445	1,691

The auditor's remuneration for the audit of the Company's accounts was £2,000 (2015: £2,000). The auditor's remuneration was borne by the Company's wholly owned subsidiary company Tata Steel UK Limited ('TSUK'), in both the current and prior year. There were no non-audit fees in the current or prior year.

2. Employees' and directors' emoluments

The Company has no employees other than the directors (2015: nil). No director received any remuneration during the year in respect of their services to the Company (2015: nil).

3. Financing items

	2016	2015
	£m	£m
Interest payable on loans from group undertakings	26	24
Interest payable on loans from subsidiary companies	7	6
	33	30

4. Taxation

	2016	2015
	£m	£m
Total tax charge	-	-
	-	-

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

	2016	2015
	£m	£m
Loss before taxation	(478)	(1,721)
Loss multiplied by the standard UK corporation tax rate of 20% (2015: 21%)	(96)	(361)
Effects of:		
Non-deductible impairment on fixed asset investments	89	355
Group relief surrendered free of charge	7	6
	-	-

Corporation tax is calculated at 20% of the taxable loss for the year. The decrease in the rate is caused by a change in the statutory tax rate in the UK which reduced from 21% to 20% during the year.

5. Investments in subsidiary undertakings

	Shares in subsidiary undertakings £m
Cost at 1 April 2015 and 31 March 2016	3,380
Impairment as at 1 April 2015	(2,029)
Impairment losses recognised in the period	(445)
Impairment as at 31 March 2016	(2,474)
Net book value at 31 March 2016	906
Net book value at 31 March 2015	1,351

F5. Notes to the financial statements

On an annual basis a review of the Company's investments for impairment indicators is performed. The outcome of the test at 31 March 2016 resulted in a permanent diminution of £445m in the value of the Company's investment in TSUK due to weaker market conditions in mainly the UK construction market, which is expected to remain weak over the near and medium term (2015: a permanent diminution of £1,691m).

In 2008, Tata Steel UK Holdings Limited ('TSUKH') borrowed the ordinary share capital in Corus International (Overseas Holdings) Limited from Corus International Limited ('CI') by means of a stock lending transaction. The terms of the stock loan are such that TSUKH is required to return the shares to CI, on demand. TSUKH sold these shares to the Company for £437m and holds an option over the Company to repurchase these shares.

A full list of the Company's interests is disclosed in the Appendix to these accounts, including indirectly held investments.

6. Other payables

As at 31 March	2016	2015
	£m	£m
Amounts owed to group companies	16	15
Amounts owed to subsidiary undertakings	3	3
	19	18

7. Inter-group borrowings

As at 31 March	2016	2015
	£m	£m
Amounts owed to group companies	577	552
Amounts owed to subsidiary undertakings	171	164
	748	716

The amounts owed to group and subsidiary undertakings incur interest charged at LIBOR +3.50%. No date has been fixed for repayment.

8. Other non-current liabilities

The Company has given a guarantee in respect of the borrowings of a fellow subsidiary company, which amounted to £50,504 as at 31 March 2016 (2015: £35,071). This guarantee is indemnified by TSUKH.

9. Deferred tax assets

As at 31 March	2016	2015
	£m	£m
Deferred tax assets	-	-
	-	-

The following is the analysis of the deferred tax balance:

As at 31 March	2016	2015
	£m	£m
Other timing differences	-	(1)
Tax losses	-	1
	-	-

Deferred tax assets have not been recognised in respect of total tax losses of £146m (2015: £115m).

10. Provisions

As at 31 March	2016	2015
	£m	£m
At beginning and end of period	4	4
Analysed as:		
Non-current liabilities	4	4

The provisions relate to environmental provisions in respect of previously disposed of operations for which the timing of any potential expenditure is uncertain.

F5. Notes to the financial statements

11. Share capital

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

Authorised	2016	2015
	£m	£m
4,499,999,999 ordinary shares of 50p each	2,250	2,250
Allotted, called up and fully paid	2016	2015
	£m	£m
3,499,265,478 ordinary shares of 50p each	1,750	1,750

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

12. Ultimate and immediate parent company

TSNH, a company registered in the Netherlands, is the Company's immediate parent company. TSE and TSUKH are intermediate holding companies, registered in England and Wales, with TSUKH the smallest group to consolidate these financial statements.

Copies of the Report & Accounts for TSUKH may be obtained from the Secretary, 30 Millbank, London, SW1P 4WY.

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

Copies of the Report & Accounts for TSL may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400 001.

13. Continued application of FRS 101 'Reduced Disclosure Framework'

Following the first time application of FRS 101 '*Reduced Disclosure Framework*' in the period, the board considers that it is in the best interests of the Company to continue to apply FRS 101 in future periods.

14. Subsidiary undertakings

The Appendix shows a list of the Company's subsidiary, joint arrangement and associated undertakings (direct and indirect) as at 31 March 2016 pursuant to the requirement of The Company, Partnership and Groups (Accounts and Reports) Regulation 2015.

F6. Appendix

The subsidiary undertakings, joint ventures and associates of the Group at 31 March 2016 and their registered addresses are set out below. Country names are countries of incorporation. Undertakings operate principally in their country of incorporation.

Subsidiary undertakings

Steel producing, further processing or related activities:

Brazil	
Tata Steel International (South America) Representacoes LTDA (ii) (iii)	Santiago & Amboulos Advogados, Av. Rio Branco, 45 - 10º andar - Grupo 1013, Centro - Rio de Janeiro - RJ. CEP: 20090-003
Canada	
Cogent Power Inc. (ii) (iii)	845 Laurentian Drive, Burlington, Ontario, Canada, L7N 3W7
Germany	
Catnic GmbH (ii) (iii)	Am Leitzelbach 16, Sinsheim, 74889, Germany
China	
Tata Steel Speciality Service Centre Suzhou Co Limited (ii) (iii)	Unit A, Building No 5, No 1 Qiming Road, Free Trade Zone B, Suzhou Industrial Park, Suzhou, China 215121
Tata Steel Speciality Service Centre Xian Co. Limited (ii) (iii)	A2-1, Xi'an Bonded Logistics Centre, 8 Gangwu Avenue, Xi'an International Trade and Logistics Park, Xi'an Shaanxi, China 710026
Greece	
Tata Steel International Hellas SA (ii) (iii)	5, Pigis Avenue, Melissia, 15127, Athens, Greece
India	
Tata Steel International (India) Limited (ii) (iii)	412 Raheja Chambers, 213 Backbay Reclamation, Nariman Point, Mumbai 400 021, India
Ireland (Republic of)	
Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited (ii) (iii)	Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland
Gamble Simms Metals Limited (ii) (iii)	Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12
Lister Tubes Limited (ii) (iii)	Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12
Stewarts & Lloyds of Ireland Limited (ii) (iii)	1 Stokes Place, St Stephens Green, Dublin 2
The Steel Company of Ireland Limited (ii) (iii)	International Financial Services Centre, North Wall Quay, Dublin 1
Walkersteelstock Ireland Limited (ii) (iii)	Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12
Isle of Man	
Crucible Insurance Company Limited (ii) (iii)	Level 2, Samuel Harris House, 5-11 St. George's Street, Douglas, Isle of Man, IM1 1AJ
Jersey	
Almana Steel Dubai (Jersey) Limited (ii) (iv) (v)	Bedell & Cristin, Normandy House, Grenville Street, St Helier, Jersey
Mexico	
Cogent Power SA DE CV (ii) (iii)	Era 2, Real de Anahuac, 66600 Ciudad Apodaca, Nuevo Leon, Mexico
Nigeria	
Tata Steel International (Nigeria) Limited (ii) (iii)	Block 69a, Plot 8, Admiralty Way, Lekki Phase 1, Lagos, Nigeria
Norway	
Tata Steel Norway Byggsystemer AS (ii) (iii)	Roraskogen 2, Skien, N 3739, Norway
Romania	
Corus International Romania SRL (ii) (iii)	169 A Calea Floreasca, A Building, Campus 10, 4th Floor, Office 2039-2044, 1st District, Bucharest, Romania
South Africa	
TS South Africa Sales Office Proprietary Limited (ii) (xii)	1st Floor, Kamogelo Suites, 39 Lakefield Avenue, Benoni, Gauteng, 1501, South Africa
Sweden	
Surahammar Bruks AB (ii) (iii)	Box 201, S-735 23, Surahammar, Sweden

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UAE

Tata Steel International (Middle East) FZE (ii) (iii)

PO Box 18294, Jebel Ali, Dubai, United Arab Emirates

Ukraine

Corus Ukraine LLC (ii) (iii)

Office 16, Building 11/23B, Chekhivskiy Provulok / Vorovskogo Street, 01054 Kiev, Ukraine

United Kingdom

Automotive Laser Technologies Limited (ii) (iii)	30 Millbank London SW1P 4WY
B S Pension Fund Trustee Limited (ii) (iii)	17th Floor, 125, Old Broad Street, London, EC2N 1AR
Bell & Harwood Limited (ii) (iii)	30 Millbank London SW1P 4WY
Blastmega Limited (ii) (iii) (vii)	30 Millbank London SW1P 4WY
Bore Samson Group Limited (ii) (iii)	30 Millbank London SW1P 4WY
Bore Steel Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Guide Rails Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
British Steel Corporation Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Directors (Nominees) Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Engineering Steels (Exports) Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Samson Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Service Centres Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Steel Trading Limited (ii) (iii)	30 Millbank London SW1P 4WY
British Tubes Stockholding Limited (ii) (iii)	30 Millbank London SW1P 4WY
C Walker & Sons Limited (ii) (iii)	30 Millbank London SW1P 4WY
Catnic Limited (ii) (iii) (viii) (ix)	30 Millbank London SW1P 4WY
Cogent Power Limited (ii) (iii) (x)	Orb Works, Stephenson Street, Newport, Gwent, NP19 0RB
Color Steels Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corby (Northants) & District Water Co. (ii) (iii)	PO Box 101 Weldon Road, Corby, Northamptonshire, NN17 5UA
Cordor (C & B) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus CNBV Investments (i) (iii)	30 Millbank London SW1P 4WY
Corus Cold Drawn Tubes Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Engineering Steels (UK) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Engineering Steels Holdings Limited (ii) (iii) (xi)	30 Millbank London SW1P 4WY
Corus Engineering Steels Limited (ii) (iii) (xi)	30 Millbank London SW1P 4WY
Corus Engineering Steels Overseas Holdings Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Engineering Steels Pension Scheme Trustee Limited (ii) (iii)	17th Floor 125 Old Broad Street, London, EC2N 1AR
Corus Group Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Holdings Limited (ii) (iii)	15 Atholl Crescent, Edinburgh, EH3 8HA
Corus International (Overseas Holdings) Limited (i) (iii)	30 Millbank London SW1P 4WY
Corus International Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Investments Limited (ii) (iii)	15 Atholl Crescent, Edinburgh, EH3 8HA
Corus Large Diameter Pipes Limited (ii) (iv) (v) (viii)	30 Millbank London SW1P 4WY
Corus Liaison Services (India) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Management Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Properties (Germany) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Corus Property (i) (iii)	30 Millbank London SW1P 4WY
Corus Service Centre Limited (ii) (iii)	Hull's Hill, Lisburn, Co.Atrim, BT28 2SR
Corus UK Healthcare Trustee Limited (ii) (iii)	30 Millbank London SW1P 4WY
CPN (85) Limited (ii) (iii)	30 Millbank London SW1P 4WY
Dsrn Group Plc. (ii) (iii)	30 Millbank London SW1P 4WY
Europressings Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
Federated Property Services Limited (ii) (iii) (xiii)	17th Floor 125 Old Broad Street, London EC2N 1AR
Firsteel Group Limited (ii) (iii)	30 Millbank London SW1P 4WY
Firsteel Holdings Limited (ii) (iii)	30 Millbank London SW1P 4WY
Firsteel Strip Mill Products Limited (ii) (iii)	30 Millbank London SW1P 4WY
Grant Lyon Eagre Limited (ii) (iii)	30 Millbank London SW1P 4WY
H E Samson Limited (ii) (iii)	30 Millbank London SW1P 4WY
Hadfields Holdings Limited (62.5%) (ii) (iii)	30 Millbank London SW1P 4WY
Hammermega Limited (ii) (iii)	30 Millbank London SW1P 4WY
Harrowmills Properties Limited (ii) (iii)	30 Millbank London SW1P 4WY
Ickles Cottage Trust Limited (ii) (iv) (v) (vi)	Stocksbridge Works, Manchester Road, Sheffield, South Yorkshire, S36 2JA
Kalzip Limited (ii) (iii)	Haydock Lane, Haydock, St Helens, Merseyside, WA11 9TY
London Works Steel Company Limited (ii) (iii)	30 Millbank London SW1P 4WY
Longs Steel UK Limited (ii) (iii)	30 Millbank London SW1P 4WY
Midland Steel Supplies Limited (ii) (iii)	30 Millbank London SW1P 4WY
Mistbury Investments Limited (ii) (iii)	30 Millbank London SW1P 4WY
Nationwide Steelstock Limited (ii) (iii)	30 Millbank London SW1P 4WY

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Orb Electrical Steels Limited (ii) (iii)	Orb Works, Stephenson Street, Newport, NP19 0RB
Ore Carriers Limited (ii) (iv) (v) (vii)	30 Millbank London SW1P 4WY
Pension Services Limited (ii) (iii) (Xiii)	17th Floor 125 Old Broad Street, London, EC2N 1AR
Plated Strip International Limited (ii) (iii)	30 Millbank London SW1P 4WY
Precoat International Limited (i) (iii)	30 Millbank London SW1P 4WY
Precoat Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
Round Oak Properties Limited (ii) (iv)	15 Great Marlborough Street, London, W1V 1AF
Round Oak Steelworks Limited (ii) (iii)	30 Millbank London SW1P 4WY
Runblast Limited (ii) (iii)	30 Millbank London SW1P 4WY
Runmega Limited (ii) (iii)	30 Millbank London SW1P 4WY
Seamless Tubes Limited (iii) (iii)	30 Millbank London SW1P 4WY
Steel Stockholdings Limited (ii) (iv) (v)	30 Millbank London SW1P 4WY
Steelstock Limited (ii) (iii)	30 Millbank London SW1P 4WY
Stewarts and Lloyds (Overseas) Limited (ii) (iii)	15 Atholl Crescent, Edinburgh, EH3 8HA
Stocksbridge Works Cottage Trust Limited (ii) (iv) (v) (vi)	PO Box 50, Aldwarke Lane, Rotherham, England, S60 1DW
Swinden Housing Association (ii) (iii)	Swinden House, Moorgate, Rotherham, South Yorkshire, S60 3AR, England
Tata Steel UK Consulting Limited (ii) (iii)	30 Millbank London SW1P 4WY
Tata Steel UK Limited (i) (iii)	30 Millbank London SW1P 4WY
Tata Steel UK Rail Consultancy Limited (ii) (iii)	Meridian House, The Crescent, York, Yorkshire, YO24 1AW
The Newport and South Wales Tube Company Limited (ii) (iii) (x)	30 Millbank London SW1P 4WY
The Stanton Housing Company Limited (ii) (iii)	30 Millbank London SW1P 4WY
The Templeborough Rolling Mills Limited (ii) (iv) (v)	30 Millbank London SW1P 4WY
Toronto Industrial Fabrications Limited (ii) (iii) (x) (xi)	30 Millbank London SW1P 4WY
U.E.S. Bright Bar Limited (ii) (iii)	30 Millbank London SW1P 4WY
UK Steel Enterprise Limited (ii) (iii)	The Innovation Centre, 217 Portobello, Sheffield, S1 4DP
UKSE Fund Managers Limited (ii) (iii)	The Innovation Centre, 217 Portobello, Sheffield, S1 4DP
Walker Manufacturing and Investments Limited (ii) (iii)	30 Millbank London SW1P 4WY
Walkersteelstock Limited (ii) (iii)	30 Millbank London SW1P 4WY
Westwood Steel Services Limited (ii) (iii)	30 Millbank London SW1P 4WY
Whitehead (Narrow Strip) Limited (ii) (iii)	30 Millbank London SW1P 4WY

USA

Cogent Power Inc. (ii) (iii)	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, New Castle County, USA
Kalzip Inc. (ii) (iii)	161 Lincolnway, Suite C, Valparaiso, IN 46383 USA
Tata Steel International (Americas) Holdings Inc. (ii) (iii)	Wilmington Trust SP Services, Inc, 1105 N Market Place, Wilmington, DE, 19899, USA
Tata Steel International (Americas) Inc. (ii) (iii)	475 N. Martingale Road, Suite 400, Schaumburg, IL 60173 USA
Tuscaloosa Steel Corporation (ii) (iii)	1700 Holt Road, Tuscaloosa, NE, AL 35404, USA

Classification key:

- (i) Directly owned by the Company
- (ii) Owned by the Group
- (iii) Ordinary shares
- (iv) Ordinary A shares
- (v) Ordinary B shares
- (vi) Ordinary C shares
- (vii) Preference shares
- (viii) Deferred shares
- (ix) Deferred A shares
- (x) Cumulative redeemable preference shares
- (xi) Non-cumulative preference shares
- (xii) No share capital
- (xiii) Held in a fiduciary capacity on trust

Unless indicated otherwise, subsidiary undertakings are wholly owned within the Group.

Joint arrangements

F6. Appendix

United Kingdom

Afon Tinplate Company Limited (64%) (i) (iv) (vi) (JV) (ATC)
Air Products Llanwern Limited (50%) (i) (ii) (JO) (JC)

BSR Pipeline Service Limited (50%) (i) (ii) (JO) (JC)
Caparo Merchant Bar plc (25%) (i) (ii) (JV) (AMB)

Ravenscraig Limited (33%) (i) (iii) (JV) (JC)
Redcar Bulk Terminal Limited (50%) (i) (iii) (v) (JV) (JC)
Texturing Technology Limited (50%) (i) (iii) (JO) (JC)

Afon Works, Bryntwyod, Swansea, UK, SA5 7LN
Hersham Place Technology Park, Molesey Road, Walton On Thames, Surrey,
KT12 4RZ
PO Box 101 Weldon Road, Corby, Northamptonshire, NN17 5UA
Caparo House Scunthorpe Steel Works, Brigg Road, Scunthorpe, South
Humberside, England, DN16 1XA
15 Atholl Crescent, Edinburgh, EH3 8HA
Lackenby Main Office, Lackenby Works, Middlesbrough, TS6 7RP
30 Millbank, London, SW1P 4WY

Greece

Corus Kalpinis Simos Cladding Industry SA (50%) (i) (ii) (JV) (JC)

Leoforos Diilistiron, Stefani Area - Aspropyrgos Attica, Greece

Associates

United Kingdom

Appleby Frodingham Cottage Trust Limited (33%) (i) (ii)

Fabsec Limited (25%) (i) (iv) (JV)

ISSB Limited (50%) (i) (ii)

c/o Tata Steel UK Ltd, PO Box 1, 1 Brigg Road, Scunthorpe, North Lincolnshire,
DN16 1BP
Cellbeam Ltd, Unit 516 Avenue E East, Thorp Arch Estate, Wetherby, West
Yorkshire, England, LS23 7DB
Corinthian House, 17 Lansdowne Road, Croydon, Greater London, CR0 2BX

USA

Oremco, Inc. (30%) (ii) (iii)

60 E42 Street, New York, N.Y., 10165, USA

Classification key:

- (i) Owned by Group
- (ii) Ordinary shares
- (iii) Ordinary A shares
- (iv) Ordinary B shares
- (v) Voting shares
- (vi) Preference shares
- (JV) Joint Venture
- (JO) Joint Operation

(JC) Jointly controlled

(ATC) The Company holds 50% of voting shares and 100% of preference shares (no rights attached unless there are arrears in dividends although they are convertible into ordinary shares on request).

(CMB) The Company holds 25% of the share capital. Although within the shareholder agreement there are reserved matters that are deemed 'relevant activities' that require unanimous consent of the shareholders and therefore imply joint control.

Corus Group Limited
30 Millbank
London
SW1P 4WY
United Kingdom

Registered No: 03811373