

**THE NEWPORT AND SOUTH WALES
TUBE COMPANY LIMITED**

REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR

ENDED 31 MARCH 2016

Registered No: 00313746

The Newport and South Wales Tube Company Limited Report and Accounts for the year ended 31 March 2016

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Directors and advisors

Directors

CL Harvey
SV Gidwani

Secretary

L Rupani

Company Number

00313746

Registered office

30 Millbank
London
SW1P 4WY

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Directors' report for the year ended 31 March 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

Principal activity, review of the business and future developments

The Company is a wholly owned subsidiary of Tata Steel UK Limited ('TSUK') which is a wholly owned subsidiary within the Tata Steel Europe Limited ('TSE') Group. The principal activity of the Company is to act as the holding Company for certain investments of TSUK. Further details of the investments are shown in note 5 to the accounts. The company is exempt from the obligation to prepare and deliver group accounts under s400 of the Companies Act 2006.

The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year. It is anticipated that the Company will remain dormant for the foreseeable future.

The Company has chosen to present the financial statements in accordance with FRS 102 '*The Financial Reporting Standard Applicable in the UK and Republic of Ireland*', which entitles the Company to adopt the exemption in paragraph 35.10 of FRS 102 allowing the Company to retain its previous accounting policies, (prepared under UK GAAP), until there is any change to balances or the company undertakes new transactions.

The annual financial statements have not been audited because the Company is entitled to the exemption provided by section 480 of the Companies Act 2006 relating to dormant companies and its members have not required the Company to obtain an audit of these financial statements in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of 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.

Going Concern

On 29 March 2016, following a recommendation from Tata Steel Limited ('TSL'), the Company's ultimate shareholder, the directors of TSE resolved to consider all possible restructuring options including the potential divestment of 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 its subsidiaries subject to certain restrictions.

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 by TSE is underway and representatives of TSE remain

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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 the Company.

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 on 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 were unable to continue as a going concern.

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in their exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted by them as officers or employees of the Company.

Principal risks and uncertainties

Group risks are discussed in the TSE Annual Report & Accounts, which does not form part of this report.

Dividends

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

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).

Employees

The Company has no employees, as shown in Note 3 of this report on page 8.

Directors

The directors of the Company are listed on page 2.

By order of the Board



C Harvey
Director

19 July 2016

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Profit and loss account for the year ended 31 March 2016

		2016 £	2015 £
Loss on disposal of fixed asset investments	Notes	-	(1)
Loss on ordinary activities before taxation	2	-	(1)
Taxation	4	-	-
Loss for the period		<u>-</u>	<u>(1)</u>

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

All references to 2016 in the Financial Statements, presentation of accounts and accounting policies and the related Notes 1 to 11 refer to the financial year ended 31 March 2016 or as at 31st March 2016 as appropriate (2014: the financial year ended 31 March 2015 or as at 31 March 2015).

The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year. The Company was active in the preceding year.

The notes on pages 7 to 11 form part of the financial statements

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Balance sheet as at 31 March 2016

	Notes	2016 £	2015 £
Fixed Assets			
Investments	5	6	6
Debtors: amounts falling due after one year	6	546,736	546,736
Total Assets		<u>546,742</u>	<u>546,742</u>
Creditors: amounts falling due after more than one year			
	7	<u>(530,985)</u>	<u>(530,985)</u>
Total assets less current liabilities		<u>15,757</u>	<u>15,757</u>
Capital and Reserves			
Called up share capital	8	1,167	1,167
Profit and loss account		14,590	14,590
Shareholders' funds	9	<u>15,757</u>	<u>15,757</u>

- (a) For the year ended 31 March 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- (b) The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
- (c) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts on pages 5 to 11 were approved by the Board on 19 July 2016 and were signed on its behalf by:-



C Harvey
Director
The Newport and South Wales Tube Company Limited
Registered No: 313746

The notes on pages 7 to 11 form part of the financial statements

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Notes to the accounts

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom (UK GAAP). A summary of the key accounting policies is set out below. These have been applied consistently in the current and prior period.

The Company meets the definition of a qualifying entity under FRS 100 *'Application of Financial Reporting Requirements'* issued by the Financial Reporting Council. FRS 102 *'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'*, ('FRS 102') 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 102 during the period.

As permitted by FRS 102 under paragraph 35.10, the Company has taken advantage of the exemption available under that standard in relation to the retention of the Company's previous accounting policies until there is any change to balances or the Company undertakes new transactions.

The key accounting policies, which have been applied consistently, are set out below:

(i) Basis of preparation

The Newport and South Wales Tube Company Ltd 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 accounts have been prepared under the historical cost convention in accordance with the Companies Act 2006.

Group accounts have not been prepared as the Company is a wholly owned indirect subsidiary of TSE, which has prepared consolidated accounts for the 12 month period to 31 March 2016.

As set out in the Directors report: Going concern, 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) Fixed assets investments

Fixed asset investments are stated at cost. Provisions are made if events or circumstances indicate that the carrying amount may not be recoverable. Income from fixed asset investments comprises dividends declared up to the balance sheet date and, where relevant, is shown before deduction of overseas withholding taxes.

(iii) Cash flow statement

In accordance with the dormant company exemption allowed by FRS 102, a cash flow statement for the Company has not been provided.

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Notes to the accounts (continued)

(iv) Related party disclosures

In accordance with the dormant company exemption allowed by FRS 102, the Company is not required to disclose related party transactions with other TSE group undertakings.

2. Operating costs

The auditor's remuneration for the audit of the Company's accounts was £nil (2015: £2,000). All costs associated with the Company were borne by its parent company TSUK.

3. Employees and directors' emoluments

The Company has no employees (2015: nil).

No director received any remuneration during the year in respect of their services to the Company (2015: £nil).

4. Taxation

	2016 £000	2015 £000
Current tax charge	-	-

	2016 £	2015 £
The current tax charge/(credit) reconciles with the standard rate of corporation tax as follows:		
Loss on ordinary activities before tax	-	(1)
Tax on profit at standard rate 21% (2014: 23%)	-	-
Permanent differences	-	31,928
Group relief received free of charge	-	(31,928)
	-	-

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Notes to the accounts (continued)

5. Investments

Shares in subsidiary undertakings

	2016 £	2015 £
Cost		
At beginning of period	53	54
Disposals	-	(1)
At end of period	<u>53</u>	<u>53</u>
Provisions		
At beginning of period	(47)	(47)
Disposals	-	-
At end of period	<u>(47)</u>	<u>(47)</u>
Net book value	<u>6</u>	<u>6</u>

6. Debtors: amount falling due after more than one year

	2016 £	2015 £
Amount owed by parent Company	532,135	532,135
Amount due from group Company	14,601	14,601
	<u>546,736</u>	<u>546,736</u>

The amounts above are interest free and no dates have been fixed for repayment.

7. Creditors: amount falling due after more than one year

	2016 £	2015 £
455,000 2.8% Cumulative preference shares of £1.167 each	<u>530,985</u>	<u>530,985</u>

8. Share capital

	2016 £	2015 £
Authorised, allotted and fully paid:		
1,000 ordinary shares of £1.167 each	<u>1,167</u>	<u>1,167</u>

TSUK has waived its entitlement to all dividends payable in respect of its holding of preference shares in the Company, up to 31 March 2016, including those relating to prior periods.

The redeemable preference shares are presented as a liability (see note 7) and accordingly are excluded from called up share capital in the balance sheet.

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Notes to the accounts (continued)

9. Reconciliation of movements in share capital and reserves

	2016 £	2015 £
Opening shareholders' funds	15,757	15,758
Loss for the year	-	(1)
Closing shareholders' funds	15,757	15,757

10. Ultimate holding Company

The Company is a wholly owned subsidiary of TSUK, a Company registered in England and Wales. 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.

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.

11. Subsidiaries and investments

The subsidiary undertakings and other significant investments of the Company at 31 March 2016 are set out below. Country names are countries of incorporation. Undertakings operate principally in their country of incorporation.

The Company holds 50% of the share capital in all of its subsidiaries.

Corus CNBV Investments (i) (ii)
Corus Engineering Steels Pension Scheme Trustee Limited (i) (ii)
Corus Management Limited (i) (ii)
Corus Property (i) (ii)
Midland Steel Supplies Limited (i) (ii)
Orb Electrical Steels Limited (i) (ii)

Classification key:

- (i) Directly owned by Newport and South Wales Tubes Company Limited (The)
(ii) Ordinary shares

