

**TATA STEEL**

A low-angle, upward-looking photograph of a modern cable-stayed bridge. The bridge's concrete deck and support structures are dark grey, with numerous small, light-colored rivets or bolts visible. The bridge's cables are a light, metallic color, fanning out from a central pylon towards the deck. The background is a clear, bright blue sky. The image is framed by a blue curved border at the top.

Corus Holdings Limited  
Annual Report 2017

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## A. Directors and advisors

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### **Directors**

AR Pickford

CL Harvey

SV Gidwani

### **Company secretary**

L Rupani

### **Registered office**

15 Atholl Crescent,

Edinburgh,

EH3 8HA

### **Company number**

SC029016

## B. Strategic report

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### **Introduction**

The directors present the Strategic report, together with the unaudited financial statements, of Corus Holdings Limited ('the Company') for the year ended 31 March 2017. 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 UK Limited ('TSUK').

The principal activity of the Company is that of a property dealing and development company. The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year.

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.

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.

### **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.

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, which does not form part of this report.

### *Results*

The profit for the year after taxation amounts to £nil (2016: profit of £157k).

### *Employees*

The Company had no employees in either the current or prior year, as shown in note 2 of the financial statements.

### *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**

#### *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.

## B. Strategic report

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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.

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



CL Harvey  
Director

21 July 2017

## C. Directors' report

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### The Board

The directors of the Company are listed on page 2.

### Dividends

No dividends were paid or proposed in the year (2016: £nil).

The directors do not recommend that a final dividend be paid.

### Directors' Indemnity

The Company 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.

### 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:



CL Harvey

Director

21 July 2017

## D. Directors' responsibilities statement

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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 year. 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; 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.



## E1. Income statement

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### For the financial year ended 31 March

	Note	2017 £'000	2016 Restated £'000
Operating income	1	-	157
<b>Operating profit</b>		-	157
<b>Profit before taxation</b>		-	157
Taxation	3	-	-
<b>Profit after taxation</b>		-	157

The profit before taxation derives entirely from continuing activities.

All references to 2017 in the financial statements, the Presentation of financial statements and accounting policies and the related notes 1 to 8 refer to the financial year ended 31 March 2017 or as at 31 March 2017 as appropriate (2016: the financial year ended 31 March 2016 or as at 31 March 2016).

The amounts recorded in 2016 have been restated to include a property sale which was incorrectly omitted in the prior year annual report.

#### 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 financial statements appear on pages 12 to 13.



## E2. Balance sheet

As at 31 March			
	Note	2017 £'000	2016 Restated £'000
<b>Non-current assets</b>			
Amounts owed by immediate parent company	4	462	462
		462	298
<b>Current assets</b>			
Inventories	5	115	115
Other receivables	6	1	1
		116	116
<b>TOTAL ASSETS</b>		<b>578</b>	<b>578</b>
<b>Equity</b>			
Share capital	7	250	250
Retained earnings		328	328
<b>TOTAL EQUITY</b>		<b>578</b>	<b>578</b>

Corus Holdings Limited did not trade during the current year and has made neither profit nor loss, nor any recognised gain or loss.

- a) For the year ended 31 March 2017 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- b) Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

The financial statements on pages 7 to 13 were approved by the Board of Directors and signed on its behalf by:



CL Harvey

21 July 2017

Corus Holdings Limited

Registered No: SC029016

Notes and related statements forming part of these financial statements appear on pages 12 to 13.

### E3. Statement of changes in equity

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	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>Balance as at 31 March 2016</b>	<b>250</b>	<b>328</b>	<b>578</b>
Total comprehensive income for the year	-	-	-
<b>Balance as at 31 March 2017</b>	<b>250</b>	<b>328</b>	<b>578</b>

Notes and related statements forming part of these financial statements appear on pages 12 to 13.

## E4. Presentation of financial statements and accounting policies

### I Basis of preparation

Corus Holdings Limited is a private limited company incorporated in Scotland 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 became effective for accounting periods beginning on or after 1 January 2015. The Company underwent a transition from reporting under United Kingdom Accounting Standards (UK GAAP) to FRS 101 during the year ended 31 March 2016. As such these financial statements were prepared in accordance with FRS 101. In the transition to FRS 101, the Company applied IFRS 1; 'First-time adoption of International Financial Reporting Standards', whilst ensuring its assets and liabilities are measured in compliance with 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 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.

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.

### II Use of estimates

The preparation of financial statements 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 financial statements; and
- (iii) reported amounts of income and expenses during the year.

Actual results could differ from those estimates.

The detailed accounting policies are outlined in section III below.

### III Accounting policies

#### (a) 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.

## E4. Presentation of financial statements and accounting policies

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Both current and deferred tax items are calculated using the tax rates that are expected to apply in the 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 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.

### **(b) 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) Equity instruments**

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

#### **(c) Inventories - properties acquired for resale and development**

The properties and developments are valued at the lower of cost and net realisable value. Cost includes all direct costs of acquisition and development but does not include interest.

Where part of the property is sold, the allocation of a proportion of the total cost of the whole property to the part being sold is made upon the most appropriate basis which will normally be on a pro rata basis by reference to the total cost of the whole property, or by estimating the actual costs of the part being sold where the unit cost of that area differs from the unit cost of other areas of the property.

## E5. Notes to the financial statements

### For the financial year ended 31 March

#### 1. Operating income

	2017	2016
	£'000	Restated £'000
<b>Costs by type:</b>		
Profit/(loss) on disposal of property (Note 5)	-	157
	-	157

The auditor's remuneration for the audit of the Company's financial statements was £nil (2016: £2k). The auditor's remuneration was borne by the Company's immediate parent company TSUK in the prior year. There were no non-audit fees in the current or prior year.

#### 2. Employees and directors' emoluments

The Company has no employees. No director received any remuneration during the year in respect of their services to the Company (2016: nil).

#### 3. Taxation

	2017	2016
	£'000	Restated £'000
Total tax charge	-	-
	-	-

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

	2017	2016
	£'000	Restated £'000
Profit before taxation	-	157
Profit multiplied by the standard corporation tax rate of 20% (2016: 20%)	-	31
Effects of:		
Permanent differences	-	2
Group relief surrendered free of charge	-	(33)
	-	-

Corporation tax is calculated at 20% of the taxable profit/(loss) for the year.

#### 4. Non-current assets

<b>As at 31 March</b>	2017	2016
	£'000	Restated £'000
Amounts owed by immediate parent company	462	462
	462	462

The amount due from the immediate parent company is free of interest and no date has been fixed for the discharge of the debt.

#### 5. Inventories

<b>As at 31 March</b>	2017	2016
	£'000	Restated £'000
Properties held for sale	35	35
Development properties	80	80
	115	115

In 2016 the Company disposed of four properties resulting in a profit on disposal of £157k.

## E5. Notes to the financial statements

### 6. Other receivables

<b>As at 31 March</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>Restated £'000</b>
Other receivables	<b>1</b>	<b>1</b>
	<b>1</b>	<b>1</b>

### 7. Share capital

The share capital of the Company is shown below:

<b>Authorised</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>Restated £'000</b>
500,000 ordinary shares of £1 each	<b>500</b>	<b>500</b>
<b>Allotted, called up and paid</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>Restated £'000</b>
500,000 ordinary shares of £1 each (50p paid for each)	<b>250</b>	<b>250</b>

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

### 8. Ultimate and immediate parent company

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

Copies of the Annual Report for TSE 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 and controlling party and the largest group to consolidate these financial statements.

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





**Corus Holdings Limited**  
15 Atholl Crescent  
Edinburgh  
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Registered No: SC029016