

Registered Number 2642030

Cogent Power Limited

**Annual Report and Financial Statements
for 52 weeks ended 28 March 2015**

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

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Directors and advisers

Directors

H Adam
S Wilkie (resigned 12 June 2015)
P D Clements (appointed 12 June 2015)
J M Regan
M V Cichuta
R Harper

Secretary and Registered Office

Andrew Elias
Orb Works
Stephenson Street
Newport
NP19 0RB

Auditor

Deloitte LLP
Cardiff

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Strategic report for the 52 weeks ended 28 March 2015

Review of the company's business

The company is a wholly-owned subsidiary within the Tata Steel Europe Limited ("TSE") Group and its activities are managed as an integral part of the parent's operations.

The company's principal activity is that of a holding company for the Cogent Power sub-group. There has not been any significant change in the company's principal activity in the period under review.

TSE manages its operations on a divisional basis. For this reason the company's directors do not believe that the key performance indicators for the company (or discussion thereof) are necessary or appropriate for an understanding of the development, performance or position of the business. The performance of TSE, which includes the company, is discussed in the TSE Annual Report, which does not form part of this report.

Principal risks and uncertainties

The company is financed by its immediate parent company and has no third party debt. It therefore has no third party interest rate exposure.

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

Approved by the Board and signed on its behalf by:



J M Regan
Director

1 July 2015
Cogent Power Limited
Orb Works
Stephenson Street
Newport
NP19 0RB

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Directors' report for the 52 weeks ended 28 March 2015

The directors present their report and the audited financial statements for the 52 weeks ended 28 March 2015.

Results and dividends

The results of the company show a pre-tax loss of £29k (2014: profit of £6k). The directors do not recommend the payment of a dividend in respect of the financial period ended 28 March 2015 (2014: £nil).

Likely future developments in the business

The directors are not aware, at the date of this report, of any likely changes in the company's activity in the next year.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the period and subsequently, unless otherwise stated, are listed on page 1.

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors in respect of liabilities they may incur in relation to the affairs of the company.

Research and development

The research and development activities of the group are managed as an integral part of the parent, TSE. A review of TSE's research and development activities in the period to 28 March 2015 is included in the Report and Accounts of that company.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this 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 steps that he/she ought to have taken as a director in order to make himself/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 s418 of the Companies Act 2006.

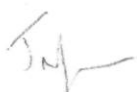
Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Directors' report for the 52 weeks ended 30 March 2012 (continued)

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.

Approved by the Board and signed on its behalf by:



J M Regan
Director

1 July 2015
Cogent Power Limited
Orb Works
Stephenson Street
Newport
NP19 0RB

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Directors' responsibilities statement

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). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Independent auditor's report to the members of Cogent Power Limited

We have audited the financial statements of Cogent Power Limited for the period from 29 March 2014 to 28 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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).

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 28 March 2015 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Wright

Andrew Wright (Senior statutory auditor)
for and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom
1 July 2015

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Profit and loss account for the 52 weeks ended 28 March 2015

	Note	52 weeks ended 28 March 2015 £'000	52 weeks ended 29 March 2014 £'000
Turnover		696	696
Gross profit		696	696
Administrative expenses	2	(725)	(690)
(Loss)/Profit on ordinary activities before taxation	5	(29)	6
Tax on profit on ordinary activities	6	-	-
(Loss)/Profit for the financial period	13	(29)	6

Profit on ordinary activities derives entirely from continuing activities.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Balance sheet at 28 March 2015

	Note	28 March 2015 £'000	29 March 2014 £'000
Fixed assets			
Investments	7	10,667	10,667
		10,667	10,667
Current assets			
Debtors	8	35,302	35,308
		35,302	35,308
Creditors - amounts falling due within one year	9	(2,602)	(2,579)
Net current assets		32,700	32,729
Total assets less current liabilities		43,367	43,396
Creditors - amounts falling due after more than one year	10	(30,000)	(30,000)
Net assets		13,367	13,396
Capital and reserves			
Called up share capital	12	42,667	42,667
Profit and loss account	13	(29,300)	(29,271)
Shareholders' funds	14	13,367	13,396

The financial statements of Cogent Power Limited, registered number 2642030, were approved by the board of directors and authorised for issue on 1 July 2015 and were signed on its behalf by:



J M Regan, Director

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015

1 Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding period.

Basis of accounting

The financial statements are prepared in accordance with applicable Accounting Standards in the United Kingdom (UK GAAP). Group accounts have not been prepared in accordance with s400 of the Companies Act 2006, as the company is a wholly-owned subsidiary of Tata Steel Europe Limited (TSE), which has prepared consolidated accounts for the year ended 28 March 2015.

Going concern

The Strategic Report sets out the company's business activities and the Directors' Report describes its financial position. The Strategic Report also states that the company is financed by its immediate parent company and has no third party debt.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The company is a wholly-owned subsidiary of TSE and the cash flows of the company are included in the consolidated cash flow statement of that company. TSE's consolidated accounts are publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cash flow statement.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at each balance sheet date except where forward cover has been obtained, when the covered rate is used. Profit and loss account items in foreign currencies are translated into sterling at the average rates ruling during the period.

Investments in subsidiaries

Investments in subsidiaries are included at cost less any provision for impairment.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

1 Principal accounting policies (continued)

Retirement benefit costs

The company contributes to the British Steel Pension Scheme, which is a defined benefit scheme. Contributions and costs are based on pension costs across the group pension scheme as a whole. As the company is unable to identify its share of the underlying assets and liabilities in the group defined benefit scheme on a consistent and reasonable basis, the scheme is treated as a defined contribution scheme and the contributions payable each year are recognised as an expense in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Turnover

Turnover represents amounts receivable from group undertakings and is recognised at the date of provision of the services to group undertakings.

Taxation

Current 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 substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on the 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. 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 substantively enacted by the balance sheet date.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

2 Total operating expenses

	52 weeks ended 28 March 2015 £'000	52 weeks ended 29 March 2014 £'000
Administrative expenses	725	660
Redundancy and related costs	-	30
	725	690

3 Directors' emoluments

The aggregate emoluments of Mr S Wilkie, Mrs J M Regan and Mr M V Cichuta are disclosed below. The emoluments of Mr H Adam and Mr R Harper are paid by other companies within the Tata Steel Europe Group which make no recharge to the company.

	52 weeks ended 28 March 2015 £'000	52 weeks ended 29 March 2014 £'000
Aggregate emoluments (including benefits in kind)	321	243
Highest paid director		
Emoluments (including benefits in kind)	131	100

Retirement benefits were accruing to three (2014: three) directors under defined benefit schemes.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

4 Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was:

By activity	52 weeks ended 28 March 2015 Numbers	52 weeks ended 29 March 2014 Numbers
Administration	7	7

Employee costs

	52 weeks ended 28 March 2015 £'000	52 weeks ended 29 March 2014 £'000
Wages and salaries (for the above persons)	474	487
Social security costs	53	57
Other pensions costs (note 11)	93	55
Redundancy and related costs	-	30
	620	629

5 (Loss)/Profit on ordinary activities before taxation

	52 weeks ended 28 March 2015 £'000	52 weeks ended 29 March 2014 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration for audit services	9	9
Hire of plant and machinery – operating leases	20	17

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

6 Tax on (Loss)/ profit on ordinary activities

	52 weeks ended 28 March 2015 £'000	52 weeks ended 29 March 2014 £'000
Current tax:		
UK corporation tax on (loss)/profit for the period	-	-
The current tax charge/(credit) reconciles with the standard rate of corporation tax as follows:		
Loss on ordinary activities before taxation	(29)	6
Tax on (loss)/profit at standard rate of 21% (2014: 23%)	(6)	1
Effects of:		
Transfer pricing adjustment	409	447
Group relief surrendered/(received) free of charge	(403)	(448)
Non taxable income	-	-
	-	-

The change in the corporation tax rate from 21% to 20% from 1 April 2015 will not materially affect the future tax charge.

7 Fixed asset investments

	Interests in subsidiary undertakings £'000
Cost	10,667
Impairment charged for year ended 28 March 2015	-
Net Book Value	10,667

The company's subsidiary undertakings are listed in note 17.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

8 Debtors

	28 March 2015 £'000	29 March 2014 £'000
Amounts falling due within one year		
Amounts owed by group undertakings:		
Parent company and fellow subsidiary undertakings	2,845	2,851
Parent company loan	32,457	32,457
	35,302	35,308

9 Creditors – Amounts falling due within one year

	28 March 2015 £'000	29 March 2014 £'000
Amounts owed to group undertakings	2,521	2,454
Accruals and deferred income	81	125
	2,602	2,579

10 Creditors – Amounts falling due after more than one year

	28 March 2015 £'000	29 March 2014 £'000
Redeemable shares of £1 each	30,000	30,000

Redeemable shares consist of 30,000,000 shares of £1 each. The redeemable shares were issued in 2000 at £1 per share and are redeemable at £1 per share in accordance with a programme to be agreed between the directors and shareholders.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

11 Retirement benefit obligations

The company participates in the British Steel Pension Scheme. The British Steel Pension Scheme, a multi-employer scheme, is a defined benefit scheme and its assets are held in a separately administered fund. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at least triennially and updated at each balance sheet date. The company is unable to identify its share of the underlying assets and liabilities in the British Steel Pension Scheme and therefore the scheme is treated as a defined contribution scheme and the group only recognises the contributions paid each year. Particulars of the actuarial assumptions and the accounting under FRS 17 are contained in the accounts of Tata Steel UK Limited, the company's immediate parent company.

The pension costs of the company for the period ended 28 March 2015 amounted to a charge of £93,085 (2014: £54,637).

12 Called up share capital

	28 March 2015 £'000	29 March 2014 £'000
Authorised		
Share capital		
180,000,000 ordinary shares of 25p each	45,000	45,000
Allotted, called up and fully paid		
Share capital		
170,667,600 ordinary shares of 25p each	42,667	42,667

13 Reserves

	Profit and loss account £'000
At 29 March 2014	(29,271)
Loss for the financial period	(29)
At 28 March 2015	(29,300)

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

14 Reconciliation of movements in shareholders' funds

	28 March 2015 £'000	29 March 2014 £'000
Opening shareholders' funds	13,396	13,390
(Loss)/profit for the financial period	(29)	6
Closing shareholders' funds	13,367	13,396

15 Related party transactions

The company's transactions with other businesses within TSE are all with 100% owned subsidiaries. In accordance with the exemption offered by Financial Reporting Standard No 8, there is no disclosure in these financial statements of those transactions.

16 Ultimate and immediate parent company

Tata Steel UK Limited, a company incorporated in England and Wales, is the company's immediate parent company. Tata Steel UK Holdings Limited and Tata Steel Europe Limited, both incorporated in England and Wales, are intermediate holding companies and Tata Steel UK Holdings Limited is the smallest group to consolidate these financial statements. Tata Steel Limited, a company incorporated in India, is the ultimate parent company and controlling party and the largest group to consolidate the financial statements.

Copies of the Report and Accounts for Tata Steel UK Limited and Tata Steel UK Holdings Limited may be obtained from the Secretary, 30 Millbank, London SW1P 4WY. Copies of the Report and Accounts for Tata Steel Limited may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai 400 001.

Cogent Power Limited Report and Financial Statements for 52 weeks ended 28 March 2015

Notes to the financial statements for the 52 weeks ended 28 March 2015 (continued)

17 Interests in subsidiaries

Name of undertaking	Country of incorporation or registration
Processing and sale of electrical steels	
Surahammars Bruks AB	Sweden
Cogent Power Inc*	Canada
Non-trading undertakings	
Orb Electrical Steels Limited	England and Wales
Cogent Power Inc*	United States
Cogent Power SA de CV*	Mexico

All subsidiary companies are wholly-owned and comprise ordinary shares. All shareholdings are in the name of Cogent Power Limited, except for those in companies marked *, which are owned by subsidiary companies.