

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

ANNUAL REPORT

FOR THE FINANCIAL YEAR

ENDED 31 MARCH 2017

Registered No: 00313746

The Newport and South Wales Tube Company Limited

Contents

	Page
Company Information	2
Directors' report	3
Balance sheet	5
Notes to the financial statements	6

The Newport and South Wales Tube Company Limited

Company information

Directors

CL Harvey
SV Gidwani

Company Secretary

L Rupani

Company Number

00313746

Registered office

30 Millbank
London
SW1P 4WY

The Newport and South Wales Tube Company Limited

Directors' report

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

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 financial statements. The company is exempt from the obligation to prepare and deliver group financial statements 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 and the preceding financial 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 financial statements.

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.

Going Concern

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

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

The Newport and South Wales Tube Company Limited

Directors Report

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.

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, 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 (2016: £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 7.

Directors

The directors of the Company are listed on page 2.

By order of the Board



C Harvey
Director

18 July 2017

The Newport and South Wales Tube Company Limited

Balance sheet as at 31 March 2017

	Notes	2017 £	2016 £
Fixed Assets			
Investments	5	6	6
Debtors: amounts falling due after one year	6	546,736	546,736
Total Assets		546,742	546,742
Creditors: amounts falling due after more than one year			
	7	(530,985)	(530,985)
Total assets less current liabilities		15,757	15,757
Capital and Reserves			
Called up share capital	8	1,167	1,167
Profit and loss account		14,590	14,590
Shareholders' funds	9	15,757	15,757

- (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) The members have not required the Company to obtain an audit of its financial statements 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 financial statements.

The financial statements on pages 5 to 9 were approved by the Board on 18 July 2017 and were signed on its behalf by:-



C Harvey
Director
The Newport and South Wales Tube Company Limited
Registered No: 00313746

The notes on pages 6 to 9 form part of the financial statements

The Newport and South Wales Tube Company Limited

Notes to the financial statements

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 year.

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 underwent a transition from reporting under United Kingdom Accounting Standards (UK GAAP) to FRS 102 during the year ended 31 March 2016.

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 financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

Group financial statements have not been prepared as the Company is a wholly owned indirect subsidiary of TSE, which has prepared consolidated financial statements for the 12 month year to 31 March 2017.

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.

(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. Profit and loss account

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial year. All costs associated with the Company were borne by the parent company TSUK. There have been no movements in shareholders' funds during the year under review or the preceding year.

The Newport and South Wales Tube Company Limited

Notes to the financial statements

3. Employees and directors' emoluments

The Company has no employees (2016: nil).

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

4. Taxation

	2017 £000	2016 £000
Current tax charge	-	-

	2017 £	2016 £
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The current tax charge reconciles with the standard rate of corporation tax as follows:

Loss on ordinary activities before tax	-	-
Tax on profit at standard rate 20% (2016: 20%)	-	-
Permanent differences	-	-
Group relief received free of charge	-	-

5. Investments

Shares in subsidiary undertakings

	2017 £	2016 £
Cost		
At beginning of year	53	53
Disposals	-	-
At end of year	53	53
Provisions		
At beginning of year	(47)	(47)
Disposals	-	-
At end of year	(47)	(47)
Net book value	6	6

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

	2017 £	2016 £
Amount owed by parent Company	532,135	532,135
Amount owed by group Company	14,601	14,601
	546,736	546,736

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

The Newport and South Wales Tube Company Limited

Notes to the financial statements

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

	2017 £	2016 £
455,000 2.8% Cumulative preference shares of £1.167 each	<u>530,985</u>	<u>530,985</u>

8. Share capital

	2017 £	2016 £
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 2017, including those relating to prior years.

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.

9. Reconciliation of movements in share capital and reserves

	2017 £	2016 £
Opening shareholders' funds	15,757	15,757
Loss for the year	-	-
Closing shareholders' funds	<u>15,757</u>	<u>15,757</u>

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

The Newport and South Wales Tube Company Limited

Notes to the financial statements

11. Subsidiaries and investments

The subsidiary undertakings and other significant investments of the Company at 31 March 2017 are set out below. Country of incorporation is United Kingdom unless otherwise stated. Undertakings operate principally in their country of incorporation.

Automotive Laser Technologies Limited (i)
B S Pension Fund Trustee Limited (i) (ii)
Blastmega Limited (i) (iii)
Bore Samson Group Limited (i) (ii)
British Guide Rails Limited (i) (1 ordinary 20p share and 1 redeemable cumulative £1 preference share)
British Steel Corporation Limited (i) (ii)
British Steel Service Centres Limited (i) (ii)
British Steel Trading Limited (i) (iii)
British Tubes Stockholding Limited (i) (ii)
C Walker and Sons Limited (i) (ii)
Corus CNBV Investments (i) (ii)
Corus Engineering Steels Pension Scheme Trustee Limited (i) (ii)
Corus Holdings Limited (i) (1,000 £1 Ordinary Shares)
Corus Investments Limited (i) (1 ordinary 25p share)
Corus Liaison Services (India) Limited (i) (ii)
Corus Management Limited (i) (ii)
Corus Property (i) (ii)
Corus Service Centre Limited (i) (ii)
Firsteel Holdings Limited (i) (1,000 1p Ordinary shares)
Grant Lyon Eagre Limited (i) (ii)
H E Samson Limited (i) (ii)
Harrowmills Properties Limited (i) (ii)
Lister Tubes Limited (i) (ii) (iv)
Midland Steel Supplies Limited (i) (ii)
Orb Electrical Steels Limited (i) (ii)
Round Oak Properties Limited (i) (1 ordinary A £1 share)
Round Oak Steel Works Limited (i) (1 ordinary 50p share)
Seamless Tubes Limited (i) (ii)
Steel Stockholding Limited (i) (1 ordinary B £1 share)
Steelstock Limited (i) (ii)
Stewarts and Lloyds (Overseas) Limited (i) (ii)
Tata Steel UK Consulting Limited (i) (2 ordinary £1 shares)
The Stanton Housing Company Limited (i) (ii)
The Templeborough Rolling Mills Limited (i) (1 Ordinary A £1 share)
Toronto Industrial Fabrications Limited (i) (ii)
UK Steel Enterprise Limited (i) (50 Ordinary £1 Shares)
Walker Manufacturing and Investments Limited (i) (ii)
Walkersteelstock Limited (i) (ii)
Westwood Steel Services Limited (i) (ii)
Whitehead (Narrow Strip) Limited (i) (ii)

Classification key:

- (i) Directly owned
- (ii) 1 ordinary share of £1
- (iii) Non-cumulative preference shares
- (iv) Incorporated in Republic of Ireland