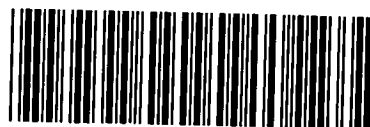


TATA STEEL



**TATA STEEL UK
CONSULTING LIMITED**
Report & Accounts 2019

TUESDAY



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A. Directors and advisors

Directors

S M Smith

C Jaques

Secretary and registered office

S V Gidwani

30 Millbank

London

SW1P 4WY

Company Number

00538415

Independent Auditors

PricewaterhouseCoopers LLP

One Kingsway

Cardiff

CF10 3PW

B. Strategic report

Introduction

The Directors present the strategic report of Tata Steel UK Consulting Limited for the year ended 31 March 2019. 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 disclosure and also ensures compliance with any relevant legal requirements applicable to it.

Principal activities

Tata Steel UK Consulting Limited is a wholly-owned subsidiary within the Tata Steel Europe Limited ('TSE') Group and operates as part of the Group's 'Central and other activities' division. The Company's ultimate parent company is Tata Steel Limited ('TSL').

The principal activities are the provision of comprehensive technical advisory and project management services for steel-related developments. During the year, an amount of internal work to other group companies was performed, which was charged at the agreed daily rate for internal services.

Business review

The results of the Company show turnover for the year ended 31 March 2019 of £720,000 (2018: £935,000) and a pre-tax loss of £607,000 (2018: pre-tax loss of £399,000).

Key performance indicators

The directors consider that the key financial performance indicators are those that communicate the financial performance of the company, these being turnover and operating profit or loss as set out in the profit and loss account.

Principal risks and uncertainties

The Company's sales in the European Union may be made in Euros and it is therefore exposed to the movement in the Euro to Sterling exchange rate. The Group's treasury function takes out contracts to manage this risk at a group level.

The Company services its day-to-day working capital requirements through cash generated from its operations and inter-company loans, as and when required, and has no third party debt. It therefore has no third party interest rate exposure.

The Company's activities are managed as an integral part of its parent's operations (TSE). The performance of the Central and other activities division of TSE, which includes the Company, is discussed in the TSE Annual Report, which does not form part of this report.

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

Future developments

The company's parent Tata Steel UK Limited (TSUK) has decided to not take on any new customers in the company's business and as a consequence redeployed most of the company's employees to support the continued transformation of TSUK's core business through key improvement projects. The company ceased trading in January 2019. All existing contracts have either been successfully completed or novated to TSUK.

Non-adjusting post balance sheet event

On 30 June 2018 TSL and thyssenkrupp AG ('tk') signed definitive agreements to create a new 50:50 joint venture ('JV') company called thyssenkrupp Tata Steel ('tkTS'). On 10 May 2019 TSL and tk announced that activities to complete the JV had been suspended, as it was anticipated that the JV would not receive merger control approval from the European Commission ('EC'). The anticipated refusal for merger control approval was subsequently confirmed by the EC on 11 June 2019.

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



S M Smith
Director
29 November 2019

C. Directors' report

The Directors present their annual report and audited financial statements for the year ended 31 March 2019.

Going concern

The company ceased trading in January 2019 and is now operating as a dormant company. Therefore, the going concern basis of preparation for the financial statements is no longer appropriate and the financial statements have been prepared on a basis other than going concern.

No adjustments are necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long term liabilities as current assets or liabilities.

Directors

The directors of the Company who were in office during the year end up to the date of signing were:

R N Jones	(resigned on 31 December 2018)
B Jha	(resigned on 31 December 2018)
P J Lennon	(appointed on 31 December 2018 and resigned on 29 November 2019)
S M Smith	(appointed on 31 December 2018)
C Jaques	(appointed on 29 November 2019)

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.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 March 2019 (2018: £nil).

Information disclosed in the Strategic Report

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

- Principal risks and uncertainties;
- Factors likely to affect the Company's future development and position; and
- Particulars of any events affected by the Company which have occurred since the end of the financial year.

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

Each director in office at the date of this Directors' report confirms that:

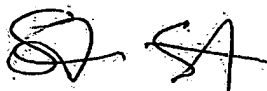
- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) the director has taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and 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.

Independent auditors

PricewaterhouseCoopers LLP were appointed as auditor of the Company for the year ended 31 March 2019. PricewaterhouseCoopers LLP have indicated their willingness to be reappointed as auditor to the Company for another term and appropriate arrangements are being made for them to be reappointed as auditor in the absence of an AGM.

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



S M Smith
Director
29 November 2019

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 regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



S M Smith
Director

29 November 2019

E. Independent auditors' report to the members of Tata Steel UK Consulting Limited

Report on the audit of the financial statements

Opinion

In our opinion, Tata Steel UK Consulting Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report & Accounts 2019 (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account and the statement of changes in equity for the year then ended; the presentation of accounts and accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the presentation of accounts and accounting policies to the financial statements concerning the basis of preparation. During the year the directors decided that the company will cease trading during the financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in the presentation of accounts and accounting policies to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

E. Independent auditors' report to the members of Tata Steel UK Consulting Limited

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Stuart Couch

**Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff**

29 NOVEMBER 2019

F1. Profit and loss account

For the financial year ended 31 March

	Note	2019 £'000	2018 £'000
Turnover	1	720	935
Operating costs			
Staff costs	4	(1,014)	(760)
Other operating charges		(313)	(577)
Operating loss	2	(607)	(402)
Interest receivable and similar income	6	-	3
Loss before taxation		(607)	(399)
Tax on loss	7	-	-
Loss for the financial year		(607)	(399)

All references to 2019 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 2019 or as at 31 March 2019 as appropriate (2018: the financial year ended 31 March 2018 or as at 31 March 2018).

Statement of comprehensive income

The Company has no other gains and losses other than those included in the Profit and loss account 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	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	8	-	-
Current assets			
Debtors: amounts falling due within one year	9	188	293
		188	293
Creditors: amounts falling due within one year	10	(803)	(301)
Net current liabilities		(615)	(8)
Net liabilities		(615)	(8)
Capital and reserves			
Called up share capital	12	1,735	1,735
Accumulated losses		(2,350)	(1,743)
Total equity		(615)	(8)

The financial statements on pages 8 to 16 were approved by the Board of Directors and signed on its behalf by:



S M Smith

Tata Steel UK Consulting Limited

Registered No: 538415

29 November 2019

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

F3. Statement of changes in equity

For the financial year ended 31 March 2019

	Called up Share capital	Accumulated losses	Total capital & reserves
	£'000	£'000	£'000
Balance as at 1 April 2017	1,735	(1,344)	391
Loss for the financial year end	-	(399)	(399)
Balance as at 31 March 2018	1,735	(1,743)	(8)
Loss for the financial year end	-	(607)	(607)
Balance as at 31 March 2019	1,735	(2,350)	(615)

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

Tata Steel UK Consulting Limited is a private limited company incorporated and registered 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.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

As permitted by FRS 101, the Company has taken advantage of the relevant disclosure exemptions available under that standard in relation to IAS 7, presentation of a cash flow statement; IAS 8, standards not yet effective; 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 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies used in the preparation of the financial statements remained consistent with those applied in the preparation of the Annual Report except for the application of new International Financial Reporting Standards (IFRS) 9 and 15 which have been applied as a difference in accounting policy in the current year.

The directors have decided to cease trading during the financial year and become a dormant company. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision, or to reclassify fixed assets and long-term liabilities as current assets and current liabilities.

II New Standards and interpretations applied

The following new International Accounting Standards ('IAS') and new IFRSs have been adopted in the current year:

		Effective Date*
IFRS 9	Financial Instruments	1 Jan 2018
IFRS 15	Revenue from Contracts with Customers	1 Jan 2018
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 Jan 2018

IAS 40 (Amendments)	Transfers of Investment Property	1 Jan 2018
IFRIC 22	Foreign currency Transactions and Advance Consideration	1 Jan 2018
IAS 28 (Amendments)	Investments in Associates and Joint Ventures	1 Jan 2019

* periods commencing on or after

The adoption of the new accounting standards and interpretations above did not have a material impact on the Tata Steel UK Consulting Limited financial statements.

III Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors consider there are no estimates or critical judgements that have been made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The detailed accounting policies are outlined in section IV below.

IV Accounting policies

(a) Fixed assets and depreciation

Tangible fixed assets are stated at original cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements 20% per annum

F4. Presentation of accounts and accounting policies

IV Accounting policies (continued)

(a) Fixed assets and depreciation (continued)

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable.

(b) Turnover

Turnover is stated net of value added tax and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

(c) Taxation

The tax expense 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 profit and loss account 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.

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 substantively enacted by the end of the reporting period.

(d) Pension costs

The Company participates in the British Steel Pension Scheme (BSPS). The assets and liabilities of the scheme are held independently from the Company. On 11 September 2017, the UK Pensions Regulator confirmed that it had approved a Regulated Apportionment Arrangement ('RAA')

in respect of the BSPS which would separate the scheme from TSUK and a number of affiliated companies. TSUK has agreed to sponsor a new pension scheme ('NBSPS') subject to certain qualifying conditions around size and funding being met. As the NBSPS has lower future annual increases for pensioners and deferred members compared to the BSPS, it has an improved funding position, which poses significantly less risk for TSUK. All BSPS members were given the choice to switch to either the NBSPS or remain in the BSPS which will transfer to the Pension Protection Fund. It was confirmed on 27 March 2018 that the qualifying conditions had been satisfied in full and accordingly electing members transferred to the new scheme on 28 March 2018.

For the purposes of IAS 19 ('Retirement Benefits'), there is no contractual agreement or stated policy for charging to the NBSPS participating companies the net defined benefit cost. Therefore, the Company accounts for contributions to the scheme as if it were a defined contribution scheme.

For defined contribution schemes, the amount charged to the income statement account is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(e) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the closing rates of exchange ruling at each balance sheet date. Exchange differences are included in the profit and loss account.

(f) 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.

(g) Financial Instruments

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. Financial assets and financial liabilities are initially measured at fair value.

The detailed accounting treatment for such items can differ, as described in the following sections:

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

F4. Presentation of accounts and accounting policies

IV Accounting policies (continued)

(g) Financial Instruments (continued)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(ii) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables.

For all other financial instruments which includes intercompany receivables, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

(iii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in financing items in profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

(iv) 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 stated at amortised cost.

(v) Equity instruments

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

F5. Notes to the financial statements

For the financial year ended 31 March 2019

1. Turnover

The Company's turnover and loss on ordinary activities before taxation all arose from one class of activity. The amounts recognised on contracts with internal customers is remunerated by reference to the services performed charged at an agreed daily rate. An analysis of turnover by geographical segment is shown below:

	2019 £000	2018 £000
Europe	559	561
Africa	91	29
Asia	4	344
South America	66	1
	720	935

2. Operating loss

	2019 £000	2018 £000
Operating loss is stated after charging:		
Operating lease payments: plant and machinery	21	30
Auditor's remuneration for audit services	4	4
	25	34

There were no other fees payable to the auditor in respect of non-audit services for the period (2018:£nil).

3. Directors' emoluments

	2019 £000	2018 £000
Aggregate emoluments	322	177

Included in directors aggregate emoluments is £137,000 paid to R N Jones as compensation for loss of office (2018: £nil).

Retirement benefits are accruing to one Director under a defined benefit pension scheme.

With the exception of R N Jones all other Directors are managers / directors of other Tata Steel UK Holdings Limited companies and are remunerated by Tata Steel UK Limited in respect of their services as a whole. No recharge is made to the Company, as it is not possible to accurately apportion the emoluments for their services to the Company.

4. Staff costs

The average monthly number of employees during the year was:

	2019 Number	2018 Number
By activity		
Administrative and commercial	2	2
Contracts	6	8
	8	10
	2019 £000	2018 £000
Wages and salaries	489	596
Social security costs	54	71
Other pension costs	49	93
Redundancy costs	422	-
	1,014	760

F5. Notes to the financial statements

5. Pension costs

The Company participates in the BSPS. The BSPS is a defined benefit multi-employer fund, the assets and liabilities of which are held independently from the Group. For the purposes of International Accounting Standard 19 ('Employee Benefits'), there is no contractual agreement or group policy for charging the IAS 19 net defined benefit cost amongst participating members of the BSPS. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme. 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. Particulars of the actuarial assumptions and the accounting under IAS 19 are contained in the accounts of Tata Steel UK Limited. The pension charge for the year was £49,000 (2018: £93,000). The total IAS 19 pension surplus is £2,205m at 31 March 2019 (2018: £2,229m).

6. Interest receivable and similar income

	2019 £000	2018 £000
Group interest received	-	3

7. Tax on loss

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

	2019 £000	2018 £000
Loss before taxation	(607)	(399)
Loss multiplied by the standard corporation tax rate of 19% (2018: 19%)	(115)	(76)
Effects of:		
Group relief claimed free of charge	115	76
	-	-

8. Tangible fixed assets

	Leasehold improvements £000	Total £000
Cost		
At 1 April 2018	89	89
Disposals	(89)	(89)
At 31 March 2019	-	-
Depreciation		
At 1 April 2018	89	89
Disposals	(89)	(89)
At 31 March 2019	-	-
Net book value as at 31 March 2019 and 31 March 2018	-	-

9. Debtors: amounts falling due within one year

	2019 £000	2018 £000
As at 31 March		
Trade debtors	17	7
Amounts due from parent company	-	3
Amounts due from group companies	171	151
Amounts recoverable on contracts	-	132
	188	293

Details of the Company's credit risk are not disclosed because the financial statements of TSE disclose such details on a consolidated basis.

F5. Notes to the financial statements

10. Creditors: amounts falling due within one year

As at 31 March	2018 £000	2018 £000
Trade creditors	23	145
Amounts due to parent company	675	94
Amounts due to group companies	-	4
Accruals and deferred income	105	58
	803	301

Intercompany loans are interest free and are repayable on demand.

11. Deferred tax

Deferred taxation is provided in the financial statements in accordance with the Company's accounting policy.

The Company has deductible temporary differences of £4,000 (2018: £5,000) that have not been recognised due to the uncertainty over their utilisation.

12. Called up share capital

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

Authorised	2019 £000	2018 £000
1,750,000 ordinary shares of £1 each (2018: 1,750,000)	1,750	1,750
Alotted, called up and fully paid	2019 £000	2018 £000
1,735,151 ordinary shares of £1 each (2018: 1,750,000)	1,735	1,735

No additional shares were issued during the financial year.

13. Contingencies and commitments

At the balance sheet date the Company had outstanding commitments for minimum lease payments under non-cancellable operating leases relating to motor vehicles and office equipment, which fall due as follows:

	2019 £000	2018 £000
Within one year	7	22
Within one to two years	-	14
Within two to five years	-	-
	7	36

The Company has entered into bank guarantees with certain customers to ensure that the services required from the Company are received. At the date the accounts were signed, no bank guarantees were in place (2018: £nil).

14. Ultimate and immediate parent company

Corus International Limited is the Company's immediate parent company by nature of its 100% interest in the share capital of the Company. Tata Steel UK Holdings Limited, a company incorporated in England and Wales, is the Company's intermediate parent company by nature of its 100% interest in the share capital of Corus International Limited and the smallest group to consolidate these financial statements. Copies of the group financial statements of Tata Steel UK Holdings Limited are available from the Secretary, 30 Millbank, London, SW1P 4WY. Tata Steel Europe Limited, a company incorporated in England and Wales, is the Company's ultimate holding parent company in the UK. Tata Steel Limited ("TSL"), a company incorporated in India, is the ultimate parent company and controlling party and is the largest group for which group financial statements are prepared. Copies of the Report and Accounts for TSL may be obtained from its registered office at Bombay House, 24 Homi Mody Street, Mumbai, 400 001.

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