

TATA STEEL



Hadfields Holdings Limited

Annual Report 2019

TUESDAY



A8KIHRT

A12

17/12/2019

#52

COMPANIES HOUSE

Contents

	Page
A. Company Information	2
B. Directors' Report	3
C. Financial Statements	
C1. Income statement	5
C2. Balance sheet	6
C3. Statement of changes in equity	7
C4. Presentation of financial statements and accounting policies	8
C5. Notes to the financial statements	10

A. Company Information

Directors

British Steel Directors (Nominees) Limited
S V Gidwani

Company Secretary

L Rupani

Registered office

30 Millbank
London
SW1P 4WY

Company number

01722341

B. Directors' Report

The Board

The directors of the Company are listed on page 2.

Principal activities

The Company is a subsidiary of Tata Steel UK Limited ('TSUK'), which is a subsidiary within the Tata Steel UK Holdings Limited ('TSUKH') Group. Group financial statements have not been prepared as the Company is a subsidiary within the TSUKH Group which has prepared consolidated financial statements for the year to 31 March 2019. The principal activity of the Company was that of a non-trading company. There have been no significant changes to the principal activities in the year under review.

Dividends

No dividends were paid or proposed in the year (2018: £nil). The directors do not recommend that a final dividend be paid.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

British Steel Directors (Nominees) Limited
S V Gidwani

Directors' Indemnity

The Company's Articles of Association provide, subject to the provisions of the 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' and Officers' liability insurance.

Going Concern

The Board of Directors have assessed the ability of the Company to continue as a going concern. The Company no longer trades and the Board of Directors intend to wind up the company in the foreseeable future. These financial statements have therefore been prepared on a basis other than that of a going concern basis. 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. Please see basis of preparation note on page 7 for further information.

Future developments and subsequent events

The Company has no significant future developments to report under this section.

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 V Gidwani
Director
Registered Office:
30 Millbank,
London,
SW1P 4WY
8 November 2019

C1. Income statement

For the financial year ended 31 March

	Note	2019 £	2018 £
Other operating income	1	-	7,315,00
Operating expenses	1	-	(529,577)
Operating profit / result		-	6,785,423
Profit / result before taxation		-	6,785,423
Taxation	3	-	-
Profit / result for the financial year			6,785,423

All references to 2019 in the financial statements, the presentation of financial statements and accounting policies and the related Notes 1 to 7 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 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 10 to 11.

C2. Balance sheet

As at 31 March

	Note	2019 £	2018 £
Current assets			
Amounts owed by group companies	4	-	-
TOTAL ASSETS		-	-
Current liabilities			
Amounts owed to group companies	5	(1,250,000)	(1,250,000)
TOTAL LIABILITIES		(1,250,000)	(1,250,000)
NET LIABILITIES		(1,250,000)	(1,250,000)
Equity			
Share capital	6	100,000	100,000
Accumulated deficit		(1,350,000)	(1,350,000)
TOTAL EQUITY		(1,250,000)	(1,250,000)

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

- For the year ended 31 March 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- 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 5 to 11 were approved by the Board of Directors and signed on its behalf by:



S V Gidwani

8 November 2019
Hadfields Holdings Limited
Registered No: 01722341

Notes and related statements forming part of these financial statements appear on pages 10 to 11.

C3. Statement of changes in equity

For the financial year ended 31 March

	Share capital £	Accumulated deficit £	Total equity £
Balance as at 1 April 2017	100,000	(8,135,423)	(8,035,423)
Total comprehensive result for the year	-	6,785,423	6,785,423
Balance as at 31 March 2018	100,000	(1,350,000)	(1,250,000)
Total comprehensive income for the year	-	-	-
Balance as at 31 March 2019	100,000	(1,350,000)	(1,250,000)

Notes and related statements forming part of these financial statements appear on pages 10 to 11.

C4. Presentation of financial statements and accounting policies

I Basis of preparation

Hadfields Holdings Limited is a private limited company incorporated and domiciled in London in the United Kingdom under the Companies Act 2006. The functional currency of the Company is sterling.

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 which apply the presentation, recognition and measurement requirements of EU-adopted IFRS but with reduced disclosures and also ensure compliance with any relevant legal requirements applicable to it.

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.

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 Company has elected to measure its investments in subsidiaries and joint ventures at cost and on transition to FRS 101 has elected to measure its investments at the previous GAAP carrying value at the date of transition.

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

All accounting policies used in the preparation of the financial statements remained consistent with those applied in the preparation of the Annual Report in 2018 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.

Group financial statements have not been prepared as the Company is an indirect subsidiary of Tata Steel Europe Limited (TSE), which has prepared consolidated financial statements for the year ended 31 March 2019.

The Board of Directors has assessed the ability of the Company to continue as a going concern. The Company no longer trades and the Board of Directors intend to wind up the company in the foreseeable future. These financial statements have therefore been prepared on a basis other than that of a going concern basis. 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.

II New Accounting 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 on the new accounting standards and interpretations above did not have a material impact on the Hadfields Holdings Limited financial statements.

III Use of estimates and critical accounting judgements

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 most significant techniques for estimation are described in the accounting policies below.

The Company's Directors do not believe there are any critical accounting judgements and key sources of estimation or uncertainty in applying the Company's accounting policies.

The detailed accounting policies are outlined in section IV below.

IV 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

C4. Presentation of financial statements and accounting policies

IV Accounting policies (continued)

("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 year 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 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 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
- 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, 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 to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item 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) Equity instruments

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

C5. Notes to the financial statements

For the financial year ended 31 March

1. Other operating income and operating expenses

	2019 £	2018 £
Income by type:		
Amounts written back to financial liabilities (Note 5)	-	7,315,000
Expense by type:		
Amounts written off financial assets (Note 4)	-	(529,577)
		6,785,423

The auditors' remuneration for the audit of the Company's financial statements was £nil (2018: £1,700). The auditor's remuneration was borne by Tata Steel UK Limited, in the current year. There were no non-audit fees in the current or prior year.

2. Employees' and directors' emoluments

The Company has no employees during the current and preceding year. No director received any remuneration in respect of their services to the Company during the current and preceding financial year (2018: nil).

3. Taxation

	2019 £	2018 £
Total tax charge	-	-

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

	2019 £	2018 £
Profit / result before taxation	-	6,785,423
Profit / result multiplied by the standard UK corporation tax rate of 19% (2018: 19%)	-	1,289,230
Effects of:		
Non-taxable income	-	(1,389,850)
Non-deductible expense	-	100,620
Total tax charge	-	-

4. Amounts owed by group companies

	2019 £	2018 £
As at 31 March		
Amounts owed by parent Company	-	-

5. Amounts owed to group companies

	2019 £	2018 £
As at 31 March		
Unsecured loan stock	1,250,000	1,250,000
	1,250,000	1,250,000

C5. Notes to the financial statements

For the financial year ended 31 March

5. Amounts owed to group companies (continued)

The unsecured loan stock carries interest at 10% per annum which has been waived by the stockholders until such time as the stockholders jointly notify the Company to the contrary. The loan stock is payable on demand.

6. Share capital

The share capital of the Company is shown below:

	2019 £	2018 £
Authorised, allotted, called up and fully paid shares		
100,000 (2018: 100,000) Ordinary shares of £1 each	100,000	100,000

7. Ultimate and immediate parent company

Tata Steel UK Limited is the Company's immediate parent company, which is registered in England and Wales. Tata Steel Europe Limited ('TSE') and Tata Steel UK Holdings Limited ('TSUKH') are the intermediate holding companies, registered in England and Wales, with TSUKH being the smallest group to consolidate these financial statements.

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

Harfield Holdings Limited
30 Millbank
London
SW1P 4WY

Registered No. 01722841