



Cogent Power Limited

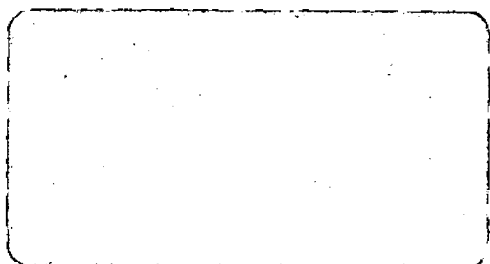
Annual Report and Financial Statements for the year ended 31st March 2019



Registered number 2642030

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A. Directors and advisors

Directors

H Adam
R L Hooper
M V Cichuta

Secretary and registered office

Lisa Griffiths

Orb Works
Stephenson Street
Newport
NP19 0RB

Company Number

2642030

Independent auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

B. Strategic report

Introduction

The directors have pleasure in presenting the strategic report of Cogent Power Limited ("Company") for the year ended 31st March 2019.

Principal activities

Cogent Power Limited 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 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.

Future developments and subsequent events

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.

On 8 May 2018 Tata Steel UK, the parent of the Company, announced its intention to divest its Cogent Power business. The process of finding a buyer for the Cogent Power business, in part or in whole, is ongoing and the parent continues to explore options for the sale process.

Going Concern

The Company is currently the non-trading holding entity for the Canadian and Swedish operations and owns 50% of the non-trading UK entity, Orb Electrical Steels. Orb's Grain Orientated Steel Sales are reflected in the accounts of Tata Steel UK Limited. The proposed disposal group of Cogent Power is currently expected to include the disposal of the Canadian, Swedish and UK businesses, held under a common holding entity, which is expected to be the Company.

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 Cogent Power Limited) and the operations of TSE's material subsidiaries, including in the Netherlands and the UK.

Tata Steel UK are currently assessing their disposal options for the Company and the Cogent Power business. The Directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future under its current arrangement with TSE. However, the directors are not able to predict any potential changes to the structure of the Company and the Cogent Power business from a potential divestment. Therefore, whilst the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, they also highlight a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, due to the uncertainty over the future plans of a potential new owner for the Company.

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 were unable to continue as a going concern.

Business review

The results of the Company show turnover for the year ended 31 March 2019 of £1.029m (2018: £0.971m) and a pre-tax loss of £1.001m (2018: pre-tax profit of £1k).

TSE manages its operations on a divisional and sector basis. For this reason the Company's directors do not believe that the key performance indicators of 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.

On 29 March 2018, the Company approved the proposed dissolution of Cogent Power Incorporated (USA) due to its

B. Strategic report (continued)

dormant status. Preparation for the dissolution has been ongoing through FY 2019 and is expected to complete in FY 2020. On this basis the Company has impaired its investment in the subsidiary to nil.

The Company participates in the Personal Retirement Pension Scheme (PRPS), which is a defined contribution scheme.

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 debt exposure.

Employees

Details of the number of employees and related costs can be found in note 3 to the financial statements.

Approved by the board of directors and signed on behalf of the board.



R L Hooper

Director

21st August 2019

Registered Office:

Orb Works
Stephenson Street
Newport
NP19 0RB

C. Directors' report

The Board

The directors of the Company are listed on page 2.

On the 21 February Mr Phil Clements, resigned from the board. On 13th August Mr Ron Harper resigned from the board. Appointments to replace Mr Clements and Mr Harper have not yet been made.

Directors' indemnity

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. In addition, directors and officers of the Company and its subsidiaries are covered by Directors & Officers liability insurance.

Result and dividends

The results of the Company show a pre-tax loss of £1.001m for the year (2018: profit of £1k). The Company's £1m investment in its subsidiary, Cogent Power Incorporated USA, was impaired to nil, and was the main contributing factor for the loss. The directors do not recommend the payment of a final dividend (2018: £nil).

Going concern

The directors have considered the ability of the Company to continue as a going concern and have highlighted a material uncertainty as outlines in the Strategic report on page 3 and Note 1 – Basis of Preparation to the financial statements on page 12.

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

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

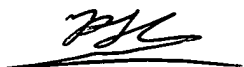
- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) the director has taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and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

Auditor

PricewaterhouseCoopers LLP acted as auditor of the Company for the year ended 31 March 2019. It is the intention of the Directors to appoint PricewaterhouseCoopers LLP as auditor for the year ending 31 March 2020.

Approved by the board of directors and signed on behalf of the board



R L Hooper
Director
Registered Office:
Orb Works
Stephenson Street
Newport
NP19 0RB

21st August 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

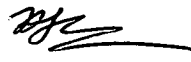
governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board of directors and signed on behalf of the board.


R L Hooper
Director

21st August 2019

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

Report on the audit and the financial statements

Opinion

In our opinion, Cogent Power 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the income statement and the statement of changes in equity for the year then ended; the presentation of financial statements 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.

Material uncertainty related to going concern

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 – note 1 basis of preparation to the financial statements concerning the company's ability to continue as a going concern. On 8th May 2018, Tata Steel UK announced its intention to divest its Cogent Power

business. Whilst the company is continuing to operate under its current arrangement with Tata Steel Europe, there is uncertainty as the Directors are unable to predict the impact on the structure of the Company and business of a potential divestment and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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 in the *Strategic report and Director's report*

E. Independent auditor's report to the members of Cogent Power Limited (continued)

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 on the company's financial statements set out on page 6, 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.

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 (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor Cardiff
21 August 2019

F1. Income Statement

For the financial year ended 31 March

	Note	2019 £'000	2018 £'000
Revenue		1,029	971
Gross profit		1,029	971
Operating costs	1	(2,030)	(970)
(Loss)/profit on ordinary activities before taxation		(1,001)	1
Taxation (charge)/credit	5	-	-
(Loss)/profit for the financial period		(1,001)	1

All references to 2019 in the Financial Statements, the Presentation of Accounts and Accounting Policies and the related Notes 1 to 13 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).

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.

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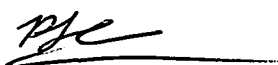
Notes and related statements forming part of these accounts appear on pages 14 to 17.

F2. Balance sheet

As at 31 March

	Note	2019 £'000	2018 £'000
Non-current assets			
Investments in subsidiary undertakings	6	26,167	27,167
Current assets			
Debtors: amounts falling due within one year	7	20,087	20,114
Creditors: amounts falling due within one year	8	(4,022)	(4,048)
Net current assets		16,066	16,066
Total assets less current liabilities		42,232	43,233
Financial instruments	9	(30,000)	(30,000)
Net assets		12,232	13,233
Equity			
Called up share capital	10	42,667	42,667
Profit and loss account		(30,435)	(29,434)
		12,232	13,233

The financial statements on pages 9 to 16 were approved by the board of directors and signed on its behalf by:



R L Hooper

21st August 2019

Cogent Power Limited

Registered No: 2642030

Notes and related statements forming part of these accounts appear on pages 14 to 17.

F3. Statement of changes in equity

For the year ended 31 March 2019

	Share capital	Profit and loss account	Total capital & reserves
	£'000	£'000	£'000
Balance as at 1 April 2018	42,667	(29,434)	13,233
Loss for the year		(1,001)	(1,001)
Balance as at 31 March 2019	42,667	(30,435)	12,232

For the year ended 31 March 2018

	Share capital	Profit and loss account	Total capital & reserves
	£'000	£'000	£'000
Balance as at 1 April 2017	42,667	(29,435)	13,232
Profit for the year		1	1
Balance as at 31 March 2018	42,667	(29,434)	13,233

Notes and related statements forming part of these accounts appear on pages 14 to 17.

F4. Presentation of accounts and accounting policies

I Basis of preparation

Cogent Power Limited is a private limited company incorporated in the United Kingdom under the Companies Act 1985. The functional and presentational currency of the Company is sterling.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to IFRS 7 financial instruments, paragraph 38 IAS 1 presentation of comparative information in respect of certain assets (including intangible assets), IAS 7 presentation of a cash flow statement and IAS 24 related party transactions with Tata Steel group companies. Where relevant, further disclosure exemptions have been taken including the requirement to provide disclosures on IFRS 7 financial instruments on the basis that equivalent disclosures have been given in the group accounts of Tata Steel UK Holdings Limited (TSUKH). The group accounts of TSUKH are available to the public and can be obtained as set out in Note 12.

The Company has elected to measure its assets and liabilities at the previous GAAP carrying value at the date of transition in accordance with FRS 101.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments and in accordance with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior period.

Group accounts have not been prepared as the Company is a wholly owned indirect subsidiary of TSE, which has prepared consolidated accounts for the year ended 31 March 2018, and as a result the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

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, a subsidiary of 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 subject to certain restrictions.

Tata Steel UK are currently assessing their disposal options for the Company and the Cogent Power business. The Directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future under its current arrangement with TSE. However, the directors are not able to predict any potential changes to the structure of the Company and the Cogent Power business from a potential divestment. Therefore, whilst the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, they also highlight a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, due to the uncertainty over the future plans of a potential new owner for the Company.

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 were unable to continue as a going concern.

II Use of estimates and critical accounting judgements

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.

The Company has investments and a number of loan balances, both receivables and payables, with other entities in the TSE Group. Judgement is required in determining whether these items are recoverable. Where indications exist that these items may not be recoverable, including an assessment of events occurring after the balance sheet date, then appropriate provisions are charged to the income statement to write down the investment or loan to the recoverable amount.

The principal accounting policies are outlined in section III below.

III 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 Amendments to the above Standards did not have a material impact on the Cogent Power Limited financial statements.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after

F4. Presentation of accounts and accounting policies

1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has not restated comparatives.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities,
- 2) Impairment of financial assets, and
- 3) General hedge accounting

Applying the new requirements has not had a material impact on the Company's consolidated financial statements.

Applying the revised Expected Credit Losses (ECL) methodology did not result in any material change to the loss allowance recorded under IAS 39 since the Company's exposure to credit losses is limited through insurance.

Except for the changes to impairment methodology as noted above, the remainder of the differences as a result of adoption of IFRS 9 are limited to immaterial presentational and disclosure changes.

IFRS 15 "Revenue from Contracts with Customers" was issued on 28 May, 2014 and provides a unified five step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognise revenue as performance obligations are met rather than based on the transfer of risks and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. On 12 April, 2016, the IASB issued amendments to IFRS 15 which clarify how to identify a performance obligation and determine whether a company is a principal or an agent.

The Company's revenue is predominantly derived from management services to other members within the Cogent Group. As part of the adoption process, the Company assessed its performance obligations underlying the revenue recognition. The adoption of this standard did not have a material impact on the financial statements of the Company.

IV Critical accounting policies

a) 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.

(i) Trade receivables

Trade receivables are initially recorded at their fair value and are subsequently measured at their amortised cost, as reduced by appropriate allowances for any impairment. Provisions for impairment are made where there is a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit and loss account. Where trade receivables are sold prior to settlement by customers, they are derecognised with the respective default deductions and discount costs simultaneously charged to profit and loss.

(ii) Investments in subsidiaries

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

(iii) Financial liabilities

Financial liabilities are classified according to the terms of the individual contractual arrangements.

(iv) Trade payables

Trade payables are initially recorded at fair value and are subsequently measured at their amortised cost.

(v) Equity instruments

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

(b) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at the end of each reporting period. Profit and loss account items and cash flows are translated into sterling at the average rates for the financial period.

(c) Pension costs

The Company participates in a defined contribution scheme, the amount charged to the profit and loss 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.

F5. Notes to the financial statements

For the financial year ended 31 March

1. Operating costs

	2019	2018
	£'000	£'000
Costs by type:		
Administrative expenses	263	202
Employment costs (note 3)	767	768
Impairments of subsidiaries (note 6)	1,000	-
	2,030	970

	2019	2018
	£'000	£'000
The above costs are stated after including:		
Operating lease rentals:		
Plant and machinery	31	26

The analysis of auditors' remuneration is as follows:

	2019	2018
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	15	6

2. Directors' emoluments

The aggregate emoluments of Mr P D Clements (up to 21 February 2019), Mr R L Hooper 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.

	2019	2018
	£'000	£'000
Aggregate emoluments (including benefits in kind)	349	335
Highest paid director:		
Emoluments (including benefits in kind)	148	164

The emoluments represent the charges received by Cogent Power Limited for the financial year ended March 2019 and exclude payments made directly by Tata Steel UK Limited to the UK directors in respect to corporate performance, i.e. corporate bonus.

Retirement benefits no longer accrue to any directors under a defined benefit scheme (2018: three). Pension benefits accrue under a defined contribution scheme (see note 4).

3. Employees

	2019	2018
	£'000	£'000
The total employment costs of all employees (including directors) in the Company were:		
Wages and salaries	597	603
Social security costs	79	79
Other pension costs	91	86
	767	768

The average monthly number of employees (all within the same class of business administration) during the year was 7 (2018: 8).

F5. Notes to the financial statements

4. Pension costs

The Company participates in a defined contribution scheme, the amount charged to the profit and loss account is the contribution payable in the year. The pension charge for 2019 totals £91k (2018: £86k).

5. Taxation

	2019 £'000	2018 £'000
Current year tax charge	-	-

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

	2019 £'000	2018 £'000
(Loss)/profit before taxation	(1,001)	1
(Loss)/profit multiplied by the standard corporation tax rate of 19% (2018: 19%)	(190)	-
Effects of:		
Transfer pricing adjustment	182	182
Non-deductible impairment of investment	190	182
Group relief surrendered free of charge	(182)	(182)
	-	-

The corporation tax rate for the period was 19% (2018: 19%)

6. Investments

	Shares in subsidiary undertakings £'000
Net book value as at 1 April 2018	27,167
Additions	-
Provisions	-
Impairment charge during period	(1,000)
Net book value at 31 March 2019	26,167

The Company's subsidiary undertakings are listed in note 13. The carrying value of the Company's investments are tested annually for impairment. The outcome of the test as at 31 March 2019 has resulted in the impairment of the Company's investment in its dormant subsidiary, Cogent Power Incorporated (USA), where dissolution activities have commenced.

7. Debtors: amounts falling due within one year

	2019 £'000	2018 £'000
As at 31 March		
Amounts owed by parent undertakings	15,957	15,957
Amounts owed by subsidiary undertakings	4,130	4,157
	20,087	20,114

The amounts owed by parent and subsidiary undertakings are not interest bearing and are repayable on demand.

8. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
As at 31 March		
Amounts owed to group companies	4,022	4,048
	4,022	4,048

F5. Notes to the financial statements

The amounts owed to parent group companies are not interest bearing and are repayable on demand.

9. Financial instruments

	2019	2018
As at 31 March	£'000	£'000
Redeemable preference shares of £1 each	30,000	30,000

Redeemable shares consist of 30,000,000 preference 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. Under IAS 32, these instruments are classified within liabilities rather than equity on the basis that the Company is required to deliver either cash or another financial asset to the holder.

10. Called up share capital

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

Authorised	2019	2018
	£'000	£'000
180,000,000 ordinary shares of 25p each	45,000	45,000

Allotted, called up and fully paid	2018	2017
	£'000	£'000
170,667,600 ordinary shares of 25p each	42,667	42,667

11. 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 FRS 101 there is no requirement to disclose those transactions in these financial statements.

An inter-company loan (draw down credit facility) to Surahammars Bruks AB, a wholly owned subsidiary of the Company, was approved by the board on 20th December 2018. The facility is interest bearing at a rate of 3.5% with a maximum permitted draw down of £8m (SEK 80m) and repayable in 2021. As at the 31 March, Surahammars Bruks had not drawn down funds from the facility.

12. 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 intermediate holding companies, registered in England and Wales, with TSUKH the smallest group to consolidate these financial statements.

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 Report & Accounts for TSUKH and TSE may be obtained from the Secretary, 30 Millbank, London, SW1P 4WY.

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

13. Subsidiaries

The subsidiary undertakings of the Company at 31 March 2019 and their registered addresses are set out below. Country names are countries of incorporation. Undertakings operate principally in their country of incorporation.

Subsidiary undertakings

Processing and sale of electrical steels:

Canada

Cogent Power Inc. (i)

100 King Street West, Suite 6200, 1 First Canadian Place, Toronto ON
MX5 1B8

Sweden

Surahammars Bruks AB (i)

Box 201, S-735 23, Surahammar, Sweden

F5. Notes to the financial statements

Non-trading undertakings:

United Kingdom

Orb Electrical Steels Limited (i)
50%

Orb Works, Stephenson Street, Newport, NP19 0RB

13. Subsidiaries (continued)

USA

Cogent Power Incorporated (i)

59 Elm Street, Suite 400, New Haven, CT 06510 USA

Classification Key :

(i) Ordinary Shares

Unless otherwise indicated, subsidiary undertakings are wholly owned by the Company.

Covent Power Limited
Oil Works
Stephenson Street
Newport
NP19 0RB
United Kingdom
T +44 (0)1633 290033
Registered No: 2642030