Company Registration No. 10491177 (England and Wales)

SPECIALITY STEEL UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

SPECIALITY STEEL UK LIMITED

COMPANY INFORMATION

Directors	S K Gupta J M Bolton (Resigned on 18 April 2019)
Company number	10491177
Registered office	7 Fox Valley Way Stocksbridge Sheffield S36 2JA
Auditor	King & King Chartered Accountants Roxburghe House 273 - 287 Regent St London W1B 2HA United Kingdom
Business address	7 Fox Valley Way Stocksbridge Sheffield S36 2JA
Bankers	HSBC UK Bank Plc 60 Queen Victoria Street London EC4N 4TR

SPECIALITY STEEL UK LIMITED

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SPECIALITY STEEL UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents the strategic report and financial statements for the year ended 31 March 2019.

Fair review of the business

The principal activity of the company is the manufacture and distribution of steel products. The company's capabilities range from liquid steel production through to high value precision engineered products. The company is focused on offering alloy and stainless steels grades for use in demanding sectors such as aerospace, oil and gas, industrial engineering and bearings, and in the manufacture of bright bars, narrow strips and niche engineering applications for customers around the world. The company's operations are primarily based in Rotherham and Stocksbridge.

The company commenced trading on 1 May 2017, when the speciality steel division of Tata Steel UK Limited (TSUK) was hived down into the company. The company was then acquired by Liberty Speciality Steels Limited. Since acquisition the business has recommissioned the coil line in Thrybergh and reignited its N-electric arc furnace in a ceremony attended by his Royal Highness, The Prince of Wales. The previously mothballed 1.1 million tonnes a year of both T and N furnaces, which turns scrap metal into specialised steels, will now play a pivotal role in Liberty's overall GREENSTEEL strategy.

The company is a wholly owned member of Liberty House Group Pte Ltd, and the ultimate parent company is SKG Global Holdings Pte Ltd, which are registered in Singapore and is wholly owned by Mr Sanjeev Gupta.

The company's statement of comprehensive income is set out on page 8 and shows revenue for the year of £373,116,124 (2018: £238,491,460). Further details of turnover by geographical area and market are given in note 3 to the financial statements.

The company produced a gross profit for the year of £74,759,711 (2018: £24,953,081) and the operating profit for the period was £15,726,633 (2018: (£25,322,749)). After deducting tax and interest, the company's result for the year amounted to a profit of £7,344,717 (2018: (£25,030,414)).

Management consider Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to be the most relevant measure of profitability. EBITDA for the year was positive £25,022,545 (2018: (£8,533,852)).

No interim dividend was paid during the year and the director does not recommend a final dividend for the year.

The statement of financial position as at 31 March 2019 shows 'total assets less current liabilities' of £122,018,933 (2018: £113,142,685) and shareholders' funds of £82,314,304 (2018: £74,969,587).

The gross asset value of the company as at 31 March 2019 was £326,887,707 (2018: £281,174,769).

Net current liabilities, reflecting the working capital position of the company was negative £28,937,585 (2018: (£33,654,656)) which included cash balance of £4,588,293 (2018: £6,324,213).

The outlook for 2019/20 is positive, given our continued investment in the business, the strong relationships with key customers and our ability to produce steel products to high quality specifications and on a timely basis.

The company is expected to trade within available facilities. The financial statements have been prepared on the going concern basis.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have an impact on the company's financial performance.

Brexit
Liberty Global Holdings Pte. Ltd (LGH) continues to monitor the Brexit negotiations between the European Union and the United Kingdom in relation to geopolitical uncertainty and the impact that it may have on its subsidiary undertakings, suppliers and their customers. LGH is continuously reviewing its risk strategy in consultation with its stakeholders to ensure that plans are in place for any eventual outcome to mitigate supply chain interruptions. However, at this stage, it is not possible to quantify the impact that Brexit may have on the Company but the plans will be kept under review and modified accordingly.

Global, political and economic conditions
The company has sales and sourcing arrangements with various countries throughout the world. Whilst the company benefits from the growth opportunities in these countries, it is similarly exposed to the economic, political and business risks associated with such international operations. Throughout its operations the company encounters different legal and regulatory requirements, including those for taxation, exchange control, environmental, operational and competitive matters.

Management monitor such risks and conditions, maintaining insurance cover and amending business procedures as appropriate to attempt to mitigate any exposure whilst remaining in compliance with local and group requirements.

Foreign exchange
The company makes sales to many countries, with a proportion of the company's operating profit earned outside the UK. As such the company is exposed to movements in exchange rates between sterling and other world currencies, particularly the US dollar and the Euro, which could adversely or positively impact results.

Raw material and energy prices
The company's products and services utilise a range of raw materials. The pricing for these raw material inputs is largely determined by international or national factors beyond the company's control or influence. Short term volatility in the pricing of such inputs and any decrease in availability can impact the company's financial performance.

Litigation
As with any business, the company is subject to the risk of litigation from third parties. The company seeks to address such claims proactively. In accordance with accounting requirements, a provision would be made where required to address such litigation and the consequent costs of defence.

Environmental liabilities
The company conducts its operations in such a manner as to ensure compliance with environmental laws and regulations. If events occur where actions are necessary to maintain compliance, the company will devote suitable resources to the issue in order to remedy the situation.

Employees
The company's operations are based primarily in Rotherham and Stocksbridge. The management team employed is small and as such the company has a reliance on this team. The company recognises the importance of this resource and as such reviews its remuneration and recruitment policies on a regular basis, in order to ensure the company continues to retain and attract the best possible management teams.

Future trading and liquidity risk
The financial stability of the company depends on its future trading and liquidity. The company regularly prepares profit and cash flow forecasts based on the likely levels of demand from key customers and suppliers. Resulting working capital projections are reviewed regularly to ensure cash resources are adequate.

Principal risks and uncertainties (continued)

Product quality control
Maintaining a high level of quality in our products is key to the company. The business is exposed to warranty, product recall and liability claims in the event that our products fail to perform as expected. In order to mitigate this risk, the company has extensive quality assurance checks embedded in all parts of the business, from design and development, through to the production process and delivery to the customers. This role is performed by a dedicated quality control team, who report to management on a regular basis.

Health and safety
Providing a safe working environment is a key priority for the company. The company has health and safety programmes and regular risk assessments, which are implemented and enforced throughout the company, and overseen by management.

Key performance indicators

Key performance indicators within the Liberty House Group are specific to the nature of the operations of each business. This data, which includes financial, health and safety and environmental elements is reported to divisional and Liberty House Group senior management on a monthly basis.

Financial key performance indicators include metrics tracking revenue, profitability, margins and working capital requirements. These have been evaluated within the strategic report, under fair review of the business.

With regards to health and safety, the company employs lost time and reportable accident metrics and reporting includes commentary regarding remedial, corrective and continuous improvement actions.

In terms of environmental compliance, the company employs key performance indicators capturing performance against pre-defined benchmarks or targets for items including waste product tonnes per tonne of finalised product, energy use per tonne and overall compliance measures. The company adopts alternate uses to recycle its waste streams where possible.

On behalf of the board

S K Gupta
Director

Date: 30.08.2019

SPECIALITY STEEL UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents his annual report and financial statements for the year ended 31 March 2019.

Directors

The director who held office during the year and up to the date of signature of the financial statements was as follows:

S K Gupta

J M Bolton (Resigned on 18 April 2019)

Results and dividends

The results for the year are set out on page 8.

No interim dividends were paid. The director does not recommend payment of a final dividend.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the director's report.

Employee Involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the director is considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Disabled Employee

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

In accordance with the company's articles, a resolution proposing that King & King Chartered Accountants be reappointed as auditor of the company will be put to the members.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S K Gupta
Director

Date: 30.08.2019

SPECIALITY STEEL UK LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that the director:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is 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. He is 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.

SPECIALITY STEEL UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPECIALITY STEEL UK LIMITED

Opinion

We have audited the financial statements of Speciality Steel UK Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

SPECIALITY STEEL UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPECIALITY STEEL UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

King King

Milankumar H Patel (Senior Statutory Auditor)

For and on behalf of
King and King
Chartered Accountants and Statutory Auditor
Roxburghe House
273 - 287 Regent St
London
W1B 2HA
United Kingdom
Date: 30.08.2019

SPECIALITY STEEL UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Revenue	3	373,116,124	238,491,460
Cost of sales		(298,356,413)	(213,538,379)
Gross profit		**74,759,711**	**24,953,081**
Distribution costs		(14,674,763)	(11,767,443)
Administrative expenses		(41,141,340)	(27,718,222)
Other operating expenses		(3,216,975)	(10,790,165)
Operating profit/ (loss)	4	**15,726,633**	**(25,322,749)**
Presented as:			
Earnings before interest, tax, depreciation, amortisation and impairment		**25,022,545**	**(8,533,852)**
Depreciation		(6,067,177)	(6,168,451)
Amortisation		(11,760)	(10,786)
Exceptional items	5	(3,216,975)	(10,609,660)
Operating profit/ (loss)		**15,726,633**	**(25,322,749)**
Finance costs	8	(7,482,502)	(4,442,571)
Other gains and losses	9	16,067	4,734,906
Profit/ (Loss) before taxation		**8,260,198**	**(25,030,414)**
Taxation	10	(915,481)	-
Total comprehensive income for the year	22	**7,344,717**	**(25,030,414)**

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 26 form part of these financial statements

SPECIALITY STEEL UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	2019 £	*restated note 1.3* 2018 £
Non-current assets			
Intangible assets	11	-	11,760
Property, plant and equipment	12	150,924,665	146,785,581
Investments	13	31,853	-
		150,956,518	**146,797,341**
Current assets			
Inventories	14	95,436,328	82,596,691
Trade and other receivables	15	75,906,568	45,456,524
Cash and cash equivalents		4,588,293	6,324,213
		175,931,189	**134,377,428**
Total assets		**326,887,707**	**281,174,769**
Current liabilities			
Trade and other payables	16	197,394,623	131,577,294
Obligations under finance leases	17	783,664	454,440
Borrowings	18	6,690,487	36,000,350
		204,868,774	**168,032,084**
Non-current liabilities			
Borrowings	18	25,033,442	8,349,211
Deferred tax liabilities	19	10,142,301	9,226,820
Obligations under finance leases	17	-	748,181
Provisions	20	4,528,886	19,848,886
		39,704,629	**38,173,098**
Total liabilities		**244,573,403**	**206,205,182**
Net assets		**82,314,304**	**74,969,587**
Equity			
Called up share capital	21	100,000,001	100,000,001
Retained earnings	22	(17,685,697)	(25,030,414)
Total equity		**82,314,304**	**74,969,587**

The financial statements were approved by the director and authorised for issue on 30.08.19 and are signed on its behalf by:

S K Gupta
Director
Company Registration No. 10491177
The notes on pages 12 to 26 form part of these financial statements

SPECIALITY STEEL UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Retained earnings £	Total £
Year ended 31 March 2018:				
At 1 April 2017		1	-	1
Loss and total comprehensive income for the year		-	(25,030,414)	(25,030,414)
Issue of share capital	**21**	100,000,000	-	100,000,000
Balances at 31 March 2018		100,000,001	(25,030,414)	74,969,587
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	7,344,717	7,344,717
Balances at 31 March 2019		100,000,001	(17,685,697)	82,314,304

The notes on pages 12 to 26 form part of these financial statements

SPECIALITY STEEL UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities				
Profit / (loss) for the year before tax	8,260,198		(25,030,414)	
Finance costs	7,482,502		4,442,571	
Depreciation and amortisation	6,078,937		6,179,799	
Other (gains) and losses	(16,067)		(4,734,906)	
Cash flows before changes in working capital		21,805,570		(19,142,950)
Changes in working capital				
(Increase) in inventories	(12,839,637)		(52,293,967)	
Increase/ (Decrease) in trade and other	50,078,371		(6,991,628)	
(Decrease)/ Increase in trade and other payables	(30,450,043)		59,245,160	
Increase in non-cash working capital	-		40,239,126	
Increase in working capital		6,788,691		40,198,691
Cash generated from operations		28,594,261		21,055,741
Interest paid		(7,482,502)		(4,442,571)
Net cash inflow from operating activities		21,111,759		16,613,170
Investing activities				
Acquisition of subsidiaries	(31,853)		-	
Purchase of property, plant and equipment	(10,565,195)		(12,738,014)	
Disposal of property, plant and equipment	375,000		-	
Non cash purchase of PPE	-		(140,239,126)	
Net cash used in investing activities		(10,222,048)		(152,977,140)
Financing activities				
Non cash proceeds from issue of shares	-		100,000,000	
Net movement in bank loans	(12,625,631)		42,688,182	
Net cash (used by)/ generated from financing activities		(12,625,631)		142,688,182
Net increase in cash and cash equivalents		(1,735,920)		6,324,212
Cash and cash equivalents at beginning of year		6,324,213		1
Cash and cash equivalents at end of year		4,588,293		6,324,213

The notes on pages 12 to 26 form part of these financial statements

1 Accounting policies

Company information

Speciality Steel UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Fox Valley Way, Stocksbridge, Sheffield, S36 2JA.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

1.1 *Accounting convention*

The financial statements have been prepared on the historical cost basis, except for the revaluation of property, plant and equipment, which upon acquisition have been fair valued in accordance with IFRS. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. Speciality Steel UK Limited is a wholly owned subsidiary of Liberty Speciality Steels Limited and the results of Speciality Steel UK Limited are included in the consolidated financial statements of Liberty Speciality Steels Limited which are available from 7 Fox Valley Way, Stocksbridge, Sheffield, S36 2JA.

1.2 *Changes in accounting policies*

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

- IFRS 15 - Revenue from Contracts with Customers
- IFRS 9 - Financial Instruments

The new revenue recognition standard IFRS 15 will be effective for accounting periods beginning on or after 1 January 2018 and introduces a five-step approach to revenue recognition based on performance obligations in customer contracts. The entity has a number of different revenue streams but following a detailed assessment, does not believe any of them will be impacted materially by the changes to the standard.

IFRS 9 will also be effective for accounting periods beginning on or after 1 January 2018. IFRS 9 is a replacement for IAS 39 'Financial Instruments,' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. The impact has been assessed and is considered minimal given the entity does not hold complex financial instruments. The impact to the trade receivables balance has been calculated based on historic bad debt rates and is line with the current impairment held.

1 Accounting policies (continued)

1.3 *Reclassification of prior period balances*

In preparing the financial statements, the director identified that the company had incorrectly classified provisions in relation to post medical plans as accruals. The director has therefore restated the prior period financial statements. This has resulted in the following:

- Accruals for the year ended 31 March 2018 decreased by £1,239,001
- Provisions for the year ended 31 March 2018 increased by £1,239,001.

There is no impact of the statement of comprehensive income or equity, and as a result no tax impact.

1.4 *Going concern*

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

The company made profit of £7,344,717 during the period and the balance sheet showed a surplus of £82,314,304 at the year-end following the fair valuation. At the time of approving the financial statements, the director is of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the director has adopted the going concern basis of accounting in preparing the financial statements.

1.5 *Revenue*

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 *Non-current investments*

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 *Intangible assets other than goodwill*

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Software: 2 years

1 Accounting policies (continued)

1.8 *Property, plant and equipment*

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition and bringing the asset to its working condition. Valuation, including assets acquired from administrators, is based on an independent external valuator's valuation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment: 5 -20 years on a straight line basis.

Depreciation is charged from the date an asset is available for use up to the date the asset is disposed of. Fully depreciated assets are retained in the consolidated financial statements until they are no longer in use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of comprehensive income.

1.9 *Impairment of tangible and intangible assets*

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.10 *Inventories*

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Cost is calculated using the weighted average method. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 *Financial assets*

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1 Accounting policies (continued)

1.13 *Financial liabilities*

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.14 *Equity instruments*

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.15 *Taxation*

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.16 *Provisions*

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.17 *Employee benefits*

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 *Retirement benefits*

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the fair value of the assets at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, less any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.20 *Foreign exchange*

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of comprehensive income for the period.

2 Critical Accounting Estimates

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Inventories impairments and provisions

Inventories are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete inventories. Calculation of these estimates require judgements to be made, which include forecasting consumer demand, competitive and economic environment and inventory loss trends. This is regularly reviewed by the management on a regular basis. WIP is applied based on material costs and assessed as a percentage of completion based on individual works orders.

A provision for stock loss is made to ensure the accounts reflect the lower of net realisable value or cost. The provision comprises two elements:

1. The loss between calculated production weight and actual weight of stock dispatched to customers as it crosses the weighbridge.
2. The loss due to ageing of finished goods

In both instances historic costs are used to calculate the provision.

Provisions

The company has made provisions for known environmental liabilities where legal or constructive obligation exists, based on management's best estimate of the remediation costs. There is uncertainty regarding the timing and amount of these costs and therefore the final liability could differ significantly from the original estimate. Management annually review the provisions held and determine if these require adjustments based on the latest knowledge available to them.

3 Revenue

An analysis of the company's revenue is as follows:

	2019	2018
	£	£
Revenue analysed by geographic area		
United Kingdom	165,713,562	88,131,414
Rest of Europe	165,841,753	101,999,936
USA, Canada, Mexico	22,029,039	20,459,421
Rest of the World	19,531,770	27,900,689
	373,116,124	238,491,460

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	1,059,580	1,316,515
Fees paid to the auditors for the audit of financial	240,000	200,000
Depreciation of property, plant and equipment	6,049,288	6,070,062
Depreciation of finance lease assets	17,889	98,389
Rent payable for property	1,314,373	929,737

5 Exceptional items

	2019 £	2018 £
Fundamental reorganisation	3,216,975	10,609,660

The exceptional costs relate to transitional service costs associated with the initial purchase of Tata Steel UK Limited. These costs are winding down costs as the company separates itself from the old system and migrates to the new system.

6 Auditor's remuneration

Fees payable to the company's auditor and associates:	2019 £	2018 £
For audit services		
Audit of the financial statements of the company	240,000	200,000

7 Employees

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

	2019 Number	2018 Number
Administration	327	228
Production & Sales	1,601	1,575
	1,928	1,803

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	81,185,338	62,662,938
Social security costs	7,319,076	6,116,731
Pension costs	4,811,433	5,031,039
	93,315,847	73,810,708

No compensation was paid to key management personnel in the year.

8 Finance costs

	2019 £	2018 £
Interest on lease liabilities	77,815	97,386
Receivables finance facility	6,340,680	3,805,299
Inter group interest and other loans	1,064,007	539,886
Total interest expense	7,482,502	4,442,571

9 Other gains and losses

	2019 £	2018 £
Bargain Purchase Gain	-	4,734,906
Gain on disposal of fixed assets	16,067	-

10 Taxation

a) Tax charged in the statement of comprehensive income

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current year	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of temporary differences	915,481	-
Tax expense in the statement of comprehensive income	915,481	-

b) Reconciliation of the total tax charge
The charge for the year can be reconciled to the profit (2018: loss) per the income statement as follows:

	2019 £	2018 £
Profit / (Loss) before taxation	8,760,198	(25,030,414)
Expected tax charge/(credit) based on a corporation tax rate of 19%	1,664,438	(4,755,779)
Tax effect of expenses not deductible in determining taxable profit	3,345	(2,423,330)
Group relief (claimed)/surrendered	-	8,631,543
Effect of change in UK corporation tax rate	(175,625)	-
Unutilised tax losses carried forward	(383,675)	-
Under/(over) provided in prior years	(193,002)	-
Fixed assets differences	-	(1,452,434)
Taxation charge for the year	915,481	-

11 Intangible assets

	Software £
Cost	
At 31 March 2019 and 2018	22,546
Amortisation and impairment	
At 1 April 2018	10,786
Charge for the year	11,760
At 31 March 2019	22,546
Carrying amount	
At 31 March 2019	-
At 31 March 2018	11,760

12 Property, plant and equipment

	Plant and equipment £	Land £	Total £
Cost			
At 1 April 2018	123,369,033	29,585,000	152,954,033
Additions	10,565,195	-	10,565,195
Disposals	(358,934)	-	(358,934)
At 31 March 2019	133,575,294	29,585,000	163,160,294
Accumulated depreciation and impairment			
At 1 April 2018	6,168,452	-	6,168,452
Charge for the year	6,067,177	-	6,067,177
At 31 March 2019	12,235,629	-	12,235,629
Carrying amount			
At 31 March 2019	121,339,665	29,585,000	150,924,665
At 31 March 2018	117,200,581	29,585,000	146,785,581

13 Fixed asset investments

	2019 £	2018 £
Investments in subsidiaries	31,853	-
	31,853	-

13 Fixed asset investments (continued)

Movements in non-current investments	Shares in group undertakings
	£
Cost	
At 1 April 2018	-
Additions	31,853
At 31 March 2019	**31,853**
Carrying amount	
At 31 March 2019	**31,853**

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
LHG Speciality Steel International Private Limited	India	Customer service centre	Ordinary	100%
Liberty Speciality Steels France	France	Customer service centre	Ordinary	100%
Liberty Speciality Steels America Inc.	USA	Customer service centre	Ordinary	100%
Liberty Speciality Steels GmbH	Germany	Customer service centre	Ordinary	100%
Engineering Bar Limited	UK	Dormant company	Ordinary	100%

14 Inventories

	2019	2018
	£	£
Raw materials	12,651,827	8,112,978
Work in progress	67,269,705	53,419,099
Finished goods	15,514,796	21,064,614
	95,436,328	82,596,691

An impairment loss of £ 4,321,581 (2018: £ 6,043,676) was recognised in cost of sales against inventory during the year due to slow moving and obsolete inventories.

15 Trade and other receivables

	2019	2018
	£	£
Trade receivables	30,823,573	17,565,118
Other receivables	9,405,663	3,434,888
Taxation and social security	3,112,145	1,030,394
Amounts owed by fellow group undertakings	24,654,426	21,406,642
Prepayments	7,910,761	2,019,482
	75,906,568	45,456,524

As part of a receivable purchase agreement between the company and a group company, certain trade receivables were sold on a non-recourse basis. Hence, trade receivables are shown net of these amounts sold. Included within trade receivables are allowances for doubtful debts of £4,564,106 (2018: £3,813,107).

16 Trade and other payables

	2019	*restated* 2018
	£	£
Trade payables	41,706,100	27,046,082
Amounts owed to fellow group undertakings	754,028	1,948,115
Amounts owed to related parties (Note 24)	107,716,008	26,271,949
Accruals and deferred income (Note 1.3)	45,234,511	74,465,965
Social security and other taxation	1,983,168	1,816,709
Other payables	808	28,474
	197,394,623	131,577,294

Amounts owed to group undertakings and related parties have no fixed repayment date and are non-interest bearing

17 Finance lease and hire purchase contracts

	2019	2018
	£	£
Current liabilities	783,664	454,440
Non-current liabilities	-	748,181
	783,664	1,202,621

	2019	2018
Amounts recognised in profit or loss include the following:	£	£
Interest on lease liabilities	77,815	97,386

The fair value of the company's lease obligations is approximately equal to their carrying amount.

18 Borrowings

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019	2018
	£	£
Current liabilities	6,690,487	36,000,350
Non-current liabilities	25,033,442	8,349,211
	31,723,929	44,349,561

Current and non-current liabilities are secured by a fixed and floating charge over the trade receivables, inventories, land and certain assets of the company. Interest has been charged in line with the prevailing market rate and the loans are repayable in full within 2 to 5 years.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

Balances:	**2019**	**2018**
	£	**£**
Fixed asset timing differences	10,288,894	9,226,820
Other temporary differences	(146,593)	-
	10,142,301	9,226,820

	Total
	£
Deferred tax liability at 1 April 2018	9,226,820
Movements in the year	915,481
Deferred tax liability at 31 March 2019	10,142,301

20 Provisions for liabilities

	2019	*restated* **2018**
	£	**£**
Environmental provisions	1,204,809	16,524,809
Dilapidation provisions	2,085,076	2,085,076
Post-retirement medical plan (Note 1.3)	1,239,001	1,239,001
	4,528,886	19,848,886

Movements on provisions:	**Environmental provisions**	**Dilapidation provisions**	**Post-retirement medical plan**
	£	**£**	**£**
At 1 April 2018	16,524,809	2,085,076	1,239,001
Utilised in the year	(2,238,091)	-	-
Release in the year	(13,081,909)	-	-
At 31 March 2019	1,204,809	2,085,076	1,239,001

The release in the environmental provision is based on management's revised estimate with regards to the required provisions to remedy any asbestos related corrections for the operating sites. This is based on their experience with actual incurred costs over the past two years over their initial expectations.

21 Share capital

Ordinary share capital	**2019**	**2018**
Authorised	**£**	**£**
100,000,001 Ordinary Shares of £1 each	100,000,001	100,000,001
Issued and fully paid		
100,000,001 Ordinary Shares of £1 each	100,000,001	100,000,001
	100,000,001	100,000,001

22 Retained earnings

	2019	**2018**
	£	**£**
At the beginning of the year	(25,030,414)	-
Loss for the year	7,344,717	(25,030,414)
At the end of the year	(17,685,697)	(25,030,414)

23 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2019	**2018**
	£	**£**
Minimum lease payments under operating leases	1,205,461	1,255,379

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	**2018**
	£	**£**
Within one year	942,165	1,266,047
Between two and five years	2,968,723	3,385,367
Greater than five years	1,875,306	2,334,382
	5,786,194	6,985,796

24 Related party transactions

The company has taken advantage of the exemption not to disclose balance or transactions with wholly owned members of the SKG Global Holdings Pte. Ltd.

25 Controlling party

The immediate parent company is Liberty Speciality Steels Limited, a company registered in England. At 31 March 2019 the ultimate holding company was SKG Global Holdings Pte. Limited, a company registered in Singapore.

The groups in which the results of the company are consolidated are headed by SKG Global Holdings Pte. Limited. The financial statements are publicly available by writing to the company secretary at 8 Marina View, #40-06 Asia Square Tower 1, Singapore 018960.

The ultimate beneficial owner is S K Gupta.

26 Capital risk management

Price risk

The company has a number of long-term agreements to supply customers on fixed price contracts, or where price changes are limited. Accordingly, the company is exposed to increases or decreases in the costs of manufacturing products. This risk is managed by ensuring estimated costs for new products are based on reliable historic data, and by negotiating price flexibility in relation to changes in input prices of metals where this is appropriate, through the mechanism of surcharges.

Foreign currency risk

The company operates in and sells products to a range of countries with different currencies resulting in an exposure to exchange rates. Transaction risk arises where revenues are made in currencies different from those of the costs of manufacture. Short-term (generally up to 12 months) transaction risk is managed using hedging techniques, but the company remains exposed to the long-term risk of exchange rate fluctuations. In addition, from time to time, credit lines to enter into appropriate short-term hedging may not be available from suitable counterparties and this may result in short-term exposure to movement in exchange rates. Mitigation is achieved by sourcing goods and services in the same currencies as the exposure.

Credit risk

Credit risks exist in relation to customers, banks and insurers. We mitigate these risks by applying rigorous credit control practices, maintaining a wide banking group and monitoring relationships with our lending banks and counterparties to our treasury instruments. We also select insurers with good credit ratings.

Interest rate risk

Interest rates can vary; interest rate risks and other treasury and related risks are managed as described in the notes In financial statement.

27 Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU). Paragraph 30 of IAS 8 requires the company to consider and disclose the potential impact of new and revised IFRS and interpretations that have been issued but are not yet effective:

- IFRS 16 Leases
- Amendments to IAS 1 Presentation of Financial Statements (January 1, 2020)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (January 1, 2020)
- Amendments to IAS 19 Employee Benefits (January 1, 2019)
- Amendments to IFRS 3 Business Combinations (January 1, 2020)
- Amendments to IFRS 7 Financial Statements: Disclosures (January 1, 2019)
- IFRIC 23 Uncertainty over Income Tax Treatments (January 1, 2019)
- IFRS 1 First-time Adoption of IFRS
- Annual improvements IFRS Standards 2015–2017 Cycle (January 1, 2019)
- IFRS 3 Business Combinations
- IFRS 11 Joint Arrangements
- IAS 12 Income Taxes
- IAS 23 Borrowing Costs

IFRS 16 is effective for reporting periods beginning on or after 1 January 2019. Management anticipates that all of the above standards, amendments and interpretations will be adopted by the Company to the extent applicable, from their effective dates. Management is currently assessing the impact that IFRS 16 could have on the Company. Otherwise, the adoption of these standards, amendments and interpretations is not expected to have any material impact on the Company in the period of their initial application.