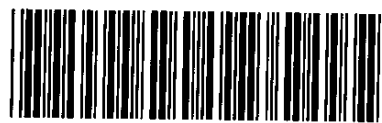


TATA STEEL



Corus International Limited Annual Report 2019

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A. Directors and advisors

Directors

CL Harvey
SV Gidwani

Company secretary

L Rupani

Registered office

30 Millbank
London
SW1P 4WY

Company number

00747010

Independent auditors

PricewaterhouseCoopers LLP
Statutory auditors
One Kingsway
Cardiff
CF10 3PW

B. Strategic report

Introduction

The directors present the Strategic report, together with the audited financial statements, of Corus International Limited (the 'Company') for the year ended 31 March 2019. These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *'Reduced Disclosure Framework'*, a framework for entities that apply the presentation, recognition and measurement requirements of EU-adopted IFRS but with reduced disclosure and also ensures compliance with any relevant legal requirements applicable to it.

Principal activities

The Company is a wholly owned subsidiary of Tata Steel UK Limited ('TSUK'), which is a subsidiary within the Tata Steel Europe Limited ('TSE') Group. Group financial statements have not been prepared as the Company is a subsidiary within the TSE Group which has prepared consolidated financial statements for the year to 31 March 2019. The Company is exempt from the obligation to prepare and deliver group financial statements under section 400 of the Companies Act 2006.

The principal activity of the Company is that of an investment holding company. Further details of the investments are shown in note 4 and note 12.

There have been no significant changes to the principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next year.

On 25 November 2008, as part of a group restructuring exercise, the Company lent the ordinary shares held in its wholly owned subsidiary, Corus International (Overseas Holdings) Limited ('CIOH'), to Tata Steel UK Holdings Limited ('TSUKH') by means of a stock lending transaction. The terms of the stock loan are such that TSUKH is required to return the shares to the Company on demand. In the meantime, whenever CIOH pays a dividend to TSUKH (or other distribution), TSUKH will be obliged to pay a manufactured dividend to the Company of the same value. TSUKH does not provide any collateral to the Company but will make a regular payment of a stock lending fee as consideration for the risk of default borne by the Company.

The fee is calculated at 0.25% of the market value of the shares loaned.

Business review

The Company is managed as an integral part of the TSE Group. The business issues impacting TSE have been disclosed in the business review section of the Strategic report in its Annual Report.

The Company's directors do not believe that key performance indicators (or discussion thereof) are appropriate for an understanding of the development, performance or position of the Company. The performance of TSE which includes the Company, is discussed in its Annual Report, which does not form part of this report.

Results

The profit for the year after taxation amounted to £1,903k (2018: £343k). The net assets as at 31 March 2019 amount to £303,658k (2018: £302,565k).

Employees

The Company has no employees, in either the current or prior year, as shown in note 2 of the financial statements.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. The Company operates in accordance with TSE Group policies. Activities designed to minimise the Company's impact on the environment include improving its energy use efficiency and reducing the production of waste (both hazardous and non-hazardous).

Principal risks and uncertainties

Investments in subsidiary undertakings

The Company holds investments in subsidiary and associated undertakings. Although the directors are satisfied that the recoverable amount of the investments is not less than their book value, there is a risk that in future years the book value may become impaired.

B. Strategic report

Going concern

The directors have assessed the future funding requirements of the Company and have compared them to the level of available borrowing facilities, including working capital facilities authorised and supported by the ultimate parent, Tata Steel Limited ('TSL'). The directors have assessed future financial performance against the borrowing facilities, and acknowledge that its intermediate parent, Tata Steel Nederland Holdings BV is required to make facility repayments in October 2019 of €370m and in July 2020 of €38.8m and \$9.8m, all of which payment obligations are the subject of a guarantee by the Company.

The directors have taken into account that TSE and its subsidiaries will benefit from an on-going commitment from TSL, provided in part by way of direct commitment and in part through a comfort letter provided in traditional form by its affiliate company, Tata Steel Global Holdings Pte Limited. The directors have made some assumptions as to the continued availability of debt financing, including that a further refinancing will be achieved of the TSE Group's existing debt funding facilities, as has been achieved successfully in 2010 and 2014. The directors have assured themselves sufficiently of and taken into account that TSE and its subsidiaries have historically benefitted from and would continue to benefit from support from its ultimate parent, TSL and TSL's subsidiaries, including if so required, an injection of funds in an amount which is materially more than the scheduled debt service obligations of the TSE Group over the projected period. The directors have also satisfied themselves that the ultimate parent, TSL has, or will have access to, sufficient funds in relation to the above.

Having undertaken this work, the directors are of the opinion that the Company has access to adequate resources to fund its operations for the foreseeable future and so determine that it is appropriate for the financial statements to be prepared on a going concern basis.

Future developments and subsequent events

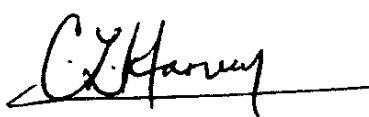
The Company has no significant future developments to report under this section.

Non-adjusting post balance sheet event

On 30 June 2018 TSL and thyssenkrupp AG ('tk') signed definitive agreements to create a new 50:50 joint venture

('JV') company called thyssenkrupp Tata Steel ('tkTS'). On 10 May 2019 TSL and tk announced that activities to complete the JV had been suspended, as it was anticipated that the JV would not receive merger control approval from the European Commission ('EC'). The anticipated refusal for merger control approval was subsequently confirmed by the EC on 11 June 2019.

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



CL Harvey

Director

Registered Office:

30 Millbank,

London,

SW1P 4WY

25th September 2019

C. Directors' report

The Board

The directors of the Company are listed on page 2.

Dividends

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

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, that the Company may indemnify any director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Information disclosed in the Strategic report

In accordance with section 414C (11) of the Companies Act 2006 the directors have chosen to disclose the following information in the Company's Strategic report:

- Principal risks and uncertainties;
- Factors likely to affect the Company's future development and position;
- Particulars of any events affecting the Company which have occurred since the end of the financial year;
- The Company's employees; and
- Going concern disclosure

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

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP were appointed as auditors of the Company for the year ended 31 March 2019. PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

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



CL Harvey

Director

Registered Office:

30 Millbank,

London,

SW1P 4WY

25th September 2019

D. Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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



CL Harvey
Director
Registered Office
30 Millbank,
London,
SW1P 4WY

25th September 2019

E. Independent auditors' report to the members of Corus International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Corus International 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 profit 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, 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.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of the above matters. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

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

E. Independent auditors' report to the members of Corus International Limited

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, 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.

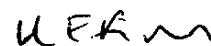
Other required reporting

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.



Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

25 September 2019

F1. Income statement

For the financial year ended 31 March

	Note	2019 £'000	2018 £'000
Other operating income	1	1,093	343
Operating profit		1,093	343
Profit before taxation		1,093	343
Tax on profit	3	-	-
Profit for the financial year		1,093	343

The profit before taxation in the current and prior year derives entirely from continuing activities.

All references to 2019 in the financial statements, the presentation of financial statements and accounting policies and the related notes 1 to 12 refer to the financial year ended 31 March 2019 or as at 31 March 2019 as appropriate (2018: the financial year ended 31 March 2018 or as at 31 March 2018).

Statement of comprehensive income

The Company has no other gains and losses other than these included in the income statement above, and therefore no separate statement of comprehensive income has been presented.

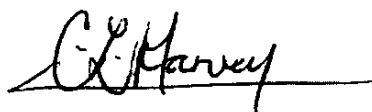
Notes and related statements forming part of these financial statements appear on pages 14 to 16.

F2. Balance sheet

As at 31 March

	Note	2019 £'000	2018 £'000
Non-current assets			
Investments in and loans to subsidiary and fellow group undertakings	4	340,293	340,293
Investments in associated undertakings	4	23	23
Other non-current assets	5	105	152
		340,421	340,468
Current assets			
Other receivables	6	9,800	8,708
		9,800	8,708
TOTAL ASSETS		350,221	349,176
Non-current liabilities			
Inter-group borrowings	7	(46,458)	(46,459)
Other non-current liabilities	8	(105)	(152)
		(46,563)	(46,611)
TOTAL LIABILITIES		(46,563)	(46,611)
NET ASSETS		303,658	302,565
Equity			
Share capital	9	490,361	490,361
Share premium		24,000	24,000
Accumulated losses		(210,703)	(211,796)
TOTAL EQUITY		303,658	302,565

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



CL Harvey

25th September 2019

Corus International Limited

Registered No: 00747010

Notes and related statements forming part of these financial statements appear on pages 14 to 16.

F3. Statement of changes in equity

	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 April 2017	490,361	24,000	(212,139)	302,222
Total comprehensive income for the year	-	-	343	343
Balance as at 31 March 2018	490,361	24,000	(211,796)	302,565
Total comprehensive income for the year	-	-	1,093	1,093
Balance as at 31 March 2019	490,361	24,000	(210,703)	303,658

Notes and related statements forming part of these financial statements appear on pages 14 to 16.

F4. Presentation of financial statements and accounting policies

I Basis of preparation

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

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council.

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

As permitted by FRS 101, the Company has taken advantage of the relevant disclosure exemptions available under that standard in relation to IAS 1, presentation of comparative information in respect of investments in subsidiaries; IAS 7, presentation of a cash flow statement; IAS 8, standards not yet effective; IFRS 7, Financial Instruments: disclosures and IAS 24, related party transactions with Tata Steel group companies.

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The principal accounting policies applied in the preparation of these financial statements are set out below. All accounting policies used in the preparation of the financial statements remained consistent with those applied in the preparation of the Annual Report in 2018 except for the application of new International Financial Reporting Standards (IFRS) 9 and 15 which have been applied as a difference in accounting policy in the current year.

Group financial statements have not been prepared as the Company is a wholly owned indirect subsidiary of TSE, which has prepared consolidated financial statements for the year ended 31 March 2019.

As set out in the Strategic Report on page 4, the Board of Directors has assessed the ability of the Company to continue as a going concern and these financial statements have been prepared on a going concern basis.

II 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	Classification and	1 Jan

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

* periods commencing on or after

The adoption of the new accounting standards and interpretations above did not have a material impact on the Corus International Limited financial statements.

III Use of estimates and critical accounting judgements

The preparation of financial statements in accordance with FRS 101 requires management to make estimates and assumptions that affect the:

- (i) reported amounts of assets and liabilities;
- (ii) disclosure of contingent assets and liabilities at the date of the financial statements; and
- (iii) reported amounts of income and expenses during the year.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below.

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

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

The detailed accounting policies are outlined in section IV below.

IV Accounting policies

(a) Taxation

The tax (charge)/credit represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years ("temporary differences") and it further excludes items that are never taxable or deductible ("permanent differences").

F4. Presentation of financial statements and accounting policies

IV Accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. This means using tax rates that have been enacted or substantively enacted by the end of the reporting year. Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, deferred tax is recognised in the income statement.

(b) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. The detailed accounting treatment for such items can differ, as described in the following sections:

(i) Financial assets

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

Classification of financial assets

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

(ii) Impairment of financial assets

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

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

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

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

(iii) Financial liabilities

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

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

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

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

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

(iv) Inter-group borrowings

Interest-bearing inter-group borrowings are initially recorded at their fair value which is generally the proceeds received. These borrowings are subsequently stated at amortised cost.

(v) Equity instruments

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

(c) Investments in subsidiary and associated undertakings

Investments in fellow group undertakings are stated at cost, which includes transaction expenses. Impairment losses are made if events or circumstances indicate that the carrying amount may not be recoverable. Income from investments in subsidiary and associated undertakings comprises dividends declared up to the balance sheet date and, where relevant, is shown before deduction of overseas withholding taxes.

F5. Notes to the financial statements

For the financial year ended 31 March

1. Other operating income

	2019 £'000	2018 £'000
Costs by type:		
Stock lending fee	1,093	1,093
Impairment of investment in subsidiary (Note 4)	-	(750)
	1,093	343

The auditors' remuneration for the audit of the Company's financial statements was £1,400 (2018: £1,400). The auditors' remuneration was borne by its parent company TSUK in both the current and prior years. There were no non-audit fees in the current or prior year.

Included in operating profit is a stock lending fee of £1,093k (2018: £1,093k) (calculated at 0.25% of the market value of the shares loaned) relating to the shares in CIOH that have been lent to TSUKH.

2. Employees

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

3. Tax on profit

	2019 £'000	2018 £'000
Total tax charge	-	-

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

	2019 £'000	2018 £'000
Profit before taxation	1,093	343
Profit multiplied by the standard UK corporation tax rate of 19% (2018: 19%)	208	65
Effects of:		
Non-deductible impairment of investment	-	143
Other permanent differences	48	36
Group relief surrendered free of charge	(256)	(244)
	-	-

Corporation tax is calculated at 19% of the taxable profit for the year.

4. Investments in and loans to subsidiary and fellow group undertakings

	Shares in subsidiary undertakings £'000	Net loans to subsidiary and fellow group undertakings £'000	Interests in associates £'000	Total £'000
Cost as at 1 April 2018 and 31 March 2019	320,595	21,537	356	342,488
Impairment as at 1 April 2018 and 31 March 2019	(1,839)	-	(333)	(2,172)
Net book value at 31 March 2019	318,756	21,537	23	340,316
Net book value at 31 March 2018	318,756	21,537	23	340,316

On an annual basis a review of the Company's investments for impairment indicators is performed. The outcome of the test at 31 March 2019 resulted in no further permanent diminution in the value of the Company's investments (2018: permanent diminution of £750,000 in the value of the Company's equity investment in Tata Steel UK Consulting Limited).

F5. Notes to the financial statements

On 25 November 2008, as part of a group restructuring exercise the Company lent the ordinary shares held in CIOH to TSUKH by means of a stock lending transaction. The Company retains the investment in CIOH due to the terms of the stock loan being such that:

- if CIOH makes a distribution, TSUKH are required to pay a 'manufactured' dividend to CI equivalent to the same value
- if CI were to cease to recognise its investment in CIOH it would be required to reclassify the investment in the stock loan as a loan receivable. CI is therefore still exposed to the same impairment risks whether it holds an investment or a stock loan receivable
- CI is compensated for the risk of default by the receipt of an annual stock lending fee
- TSUKH is required to return the shares to CI on demand.

Included in net loans to subsidiary and fellow group undertakings is a loan to the immediate parent TSUK of £21,506k (2018: £21,506). No date has been fixed for repayment but it is not expected that the loan will be repaid during the next financial year

A full list of the Company's interests is disclosed in note 12.

5. Other non-current assets

As at 31 March	2019 £'000	2018 £'000
Financial guarantees (Note 8)	105	152
	105	152

6. Other receivables

As at 31 March	2019 £'000	2018 £'000
Amounts owed by group companies	9,800	8,708
	9,800	8,708

7. Inter-group borrowings

As at 31 March	2019 £'000	2018 £'000
Amounts owed to subsidiary undertakings	46,458	46,459
	46,458	46,459

The amounts due to subsidiary undertakings are free of interest and no date has been fixed for the discharge of the debt. It is not expected that the loans will be repaid during the next financial year.

8. Other non-current liabilities

As at 31 March	2019 £'000	2018 £'000
Financial guarantees (Note 5)	105	152
	105	152

On 19 December 2007 the board of the Company granted a guarantee in relation to the debt raised as part of the old Senior Facilities Agreement entered into by TSUKH, Tulip UK Holdings (No. 3) Limited and Tata Steel Netherlands Holdings BV. On 29 September 2010, the borrowings and lender commitments under the previous senior facility arrangement were refinanced with the establishment of a new Senior Facilities Agreement. This was subsequently refinanced on 28 October 2014. This guarantee is supported by security over the assets of the Company, and also indemnified by TSUKH, therefore a receivable in relation to this is recognised in non-current assets (note 5).

F5. Notes to the financial statements

9. Share capital

The share capital of the Company is shown below:

Authorised	2019 £'000	2018 £'000
500,000,000 (2018: 500,000,000) ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid	2019 £'000	2018 £'000
490,361,595 (2018: 490,361,595) ordinary shares of £1 each	490,361	490,361

The Company has one class of ordinary shares which carry no right to fixed income.

10. Events after the reporting period

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.

11. Ultimate and immediate parent company

The Company is a wholly owned subsidiary of TSUK, a company registered in England and Wales. TSE and TSUKH are intermediate holding companies, registered in England and Wales, with TSUKH being the smallest group to consolidate these financial statements.

Copies of the Annual Report for TSUKH may be obtained from the Company secretary, 30 Millbank, London, SW1P 4WY.

Tata Steel Limited (TSL), a company incorporated in India, is the ultimate parent company and controlling party and the largest group to consolidate these financial statements.

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

12. Subsidiary and associate undertakings

The subsidiary undertakings and associates 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.

UK	
Corus International (Overseas Holdings) Limited	30 Millbank, London SW1P 4WY
Corus Liaison Services (India) Limited	30 Millbank, London SW1P 4WY
Stewarts and Lloyds (Overseas) Limited	15 Atholl Crescent, Edinburgh, EH3 8HA
Tata Steel UK Consulting Limited	30 Millbank London SW1P 4WY
Ireland (Republic of)	
Stewarts and Lloyds of Ireland Limited	1 Stokes Place, St Stephens Green, Dublin 2
Norway	
Tata Steel Norway Byggsystemer AS	Roraskogen 2, Skien, N 3739, Norway
USA	
Oremco, Inc. (30%)	60 E42 Street, New York, 10165, United States

Unless otherwise indicated, all subsidiary undertakings have issued ordinary share capital and are wholly owned by the company.

Corus International Limited
30 Millbank
London
SW1P 4WY

Registered No: 00747010