

Registered number: 3976730

TSB (INVESTMENT EUROPE) LIMITED

Annual report and financial statements

for the year ended 31 March 2017

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TSB (Investment Europe) Limited

Contents

	Page
Company information	1
Strategic report	2
Director's report	4
Statement of director's responsibilities in respect of the financial statements	6
Independent auditors' report to the members of TSB (Investment Europe) Limited	7
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

TSB (Investment Europe) Limited

Company information

Director Linda M Aylmore

Company secretary Fiona A Houghton

Registered office Springfields
Salwick
Preston
Lancashire
PR4 0XJ
United Kingdom

Independent Auditors PricewaterhouseCoopers LLP
8 Princes Parade
Liverpool
L3 1QJ

Bankers Barclays Bank Plc
1 Churchill Place
London
E14 5HP

TSB (Investment Europe) Limited

Strategic report For the year ended 31 March 2017

The director presents the strategic report for the financial year ended 31 March 2017.

The director, in preparing this strategic report, has complied with Section 414C of the Companies Act 2006.

Principal activities and fair review of the business

The company's primary activities in the year was as a holding company for subsidiaries and related companies within the Toshiba Nuclear Energy Holdings (UK) Limited group. The company also provides financing for the investing and borrowing of cash funds amongst the group companies.

The company's key financial indicators during the year were as follows:

	2017 £ 000	2016 £ 000	% Change. (decrease)/ increase
Operating profit	5,844	8,864	(34.07)%
Profit for the financial year	5,236	8,447	(38.01)%
Investments in shares	42,013	42,013	0.00%
Investments in loans	126,636	120,812	4.82%
Total shareholders' funds	20,053	14,817	35.34%
Current assets to current liabilities ratio	0.3:1	0.0:1	0.3

During the year there was an operating profit of £5,844,000 compared to a prior year operating profit of £8,864,000. This is mainly due to an unrealised foreign exchange gain on the revaluation of the investment loans to subsidiaries.

Investments in shares remain the same as prior year and amount to £42,013,000. Investment in loans provided to subsidiaries amount to £126,636,000 (2016: £120,812,000). The increase is due to revaluation of the foreign currency loans.

Results

The profit for the financial year amounted to £5,236,000 (2016: profit of £8,447,000). The director does not recommend payment of a dividend (2016: £nil).

Principal risks and uncertainties

On 29 March 2017 Toshiba Nuclear Energy Holdings (UK) Ltd., Westinghouse Electric Company LLC (WEC LLC) (a subsidiary of Toshiba Nuclear Energy Holdings (US), Inc.) and other subsidiaries of Toshiba Nuclear Energy Holdings (US), Inc. filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code. The Chapter 11 filing was triggered due solely to unrelated US business activities (API000® US contracts).

As a result of this action the Bank Mendes Gans N.V. cash pooling facility shared within the WEC LLC group defaulted. The company was not impacted. Alternative funding has been made available in the short term through a Debtor in Possession (DIP) financing agreement arranged by WEC LLC through Apollo Global Management LLC (Apollo).

The Debtors in the Chapter 11 process are executing a plan of restructuring to exit the Chapter 11 process successfully.

TSB (Investment Europe) Limited holds investments in various companies across Europe. The carrying values of those investments are shown at cost less provision for diminution in value. The carrying value of investments, are reviewed for impairment in year if events or changes in circumstances indicate that a provision for impairment is required. This year a review of all investments was performed and no impairment was required.

TSB (Investment Europe) Limited

Strategic report (continued) For the year ended 31 March 2017

Principal risks and uncertainties (continued)

The company is exposed to fluctuations in foreign exchange on its intercompany financing within the Westinghouse Electric UK Holdings Limited group. Company policies ensure that an overall view of the group's exchange exposure and foreign currency commitments can be undertaken in conjunction with the Treasury Department of Westinghouse Electric Company LLC.


Future developments

The director currently intends to continue to use the company as a holding company for Westinghouse Electric UK Holdings Limited and its subsidiary companies. There are no formal plans to change the company's primary activity.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 18 to the financial statements.

Approved by the Board on 12 December 2017 and signed on its behalf by:


.....
Linda M. Aylmore
Director

TSB (Investment Europe) Limited

Director's report For the year ended 31 March 2017

The director presents the annual report on the affairs of the company, together with the audited financial statements and independent auditors' report, for the year ended 31 March 2017.

Directors

The director of the company who was in office during the period and up to the date of signing the financial statements was as follows:

Linda M Aylmore

Strategic report

The information that fulfils the Companies Act requirements of the business review is included in the Strategic report. This includes a review of the development of the business of the company during the year, of its position at the end of the year and of the likely future developments in its business.

Financial risk management objectives and policies

Financial instruments

The company's financial instruments comprise of short-term loans to and from group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate risk, foreign currency risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The policies have remained unchanged since incorporation.

Interest rate risk

The company gains finance through loans from group undertakings. Interest rates on these loans are determined in accordance with WEC LLC Treasury policies. The company is subject to interest rate risk on non-fixed interest rate loans and this risk is continuously monitored by management.

Foreign currency risk

As at 31 March 2017 there were no outstanding foreign currency contracts (2016: nil).

Company policies ensure that an overall view of the group's exchange exposure and foreign currency commitments can be undertaken in conjunction with the Treasury Department of Westinghouse Electric Company LLC.

Liquidity risk

As referenced in the Strategic report, the Bank Mendes Gans N.V. cash pooling facility shared within the Westinghouse group defaulted and terminated. The company operates independent bank accounts locally and has the ability to lend cash through the Debtor in Possession (DIP) financing agreement arranged by WEC LLC through Apollo subject to various limitations. The access to these funds has ensured that there is no disruption to the company's operations.

Research and development

The company acts as a holding company for Westinghouse Electric Company LLC's non-United States entities. These comprise all international legal entities excluding the United States companies. It does not engage in research and development activities.

TSB (Investment Europe) Limited

Director's report (continued) For the year ended 31 March 2017

Political donations

The company has made no political contributions during the year (2016: £nil).

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and financial risk management objectives are described in the Strategic report on pages 2 to 3. The director has reviewed the company's business activities, together with any factors likely to affect its future operation and conclude that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Dividend

The director does not recommend payment of a dividend (2016: £nil).

Independent Auditors

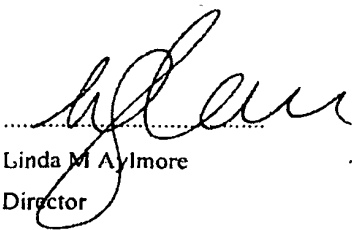
The director confirms that:

- 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 steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

A resolution to reappoint PricewaterhouseCoopers LLP as auditors in accordance with section 485 of the Companies Act 2006 will be put to the members at the Annual General Meeting.

The financial statements on pages 9 to 11 were approved by the Director on 12 December 2017 and signed:



.....
Linda M Aylmore
Director

TSB (Investment Europe) Limited

Statement of director's responsibilities in respect of the financial statements

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


Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she 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 the financial statements, the director is 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 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.

The director 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.

Approved by the Board on 12 December 2017 and signed on its behalf by:



Linda M Ayimore
Director

TSB (Investment Europe) Limited

Independent auditor's report to the members of TSB (Investment Europe) Limited

Report on the financial statements

Our opinion

In our opinion, TSB (Investment Europe) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 March 2017;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

TSB (Investment Europe) Limited

Independent auditor's report to the members of TSB (Investment Europe) Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP, Statutory Auditors
Liverpool

Date: 18/12/2017

TSB (Investment Europe) Limited

Profit and loss account For the year ended 31 March 2017

	Note	2017 £ 000	2016 £ 000
Other operating income		<u>5,844</u>	<u>8,864</u>
Operating profit	4	5,844	8,864
Interest receivable and similar income	7	1,375	1,361
Interest payable and similar expenses	8	<u>(1,601)</u>	<u>(1,715)</u>
Profit before taxation		5,618	8,510
Income tax expense	9	<u>(382)</u>	<u>(63)</u>
Profit for the financial year		<u>5,236</u>	<u>8,447</u>
Attributable to:			
Owners of the company		<u>5,236</u>	<u>8,447</u>

The above results were derived from continuing operations.

There has been no other comprehensive income during either 2017 or 2016 other than as disclosed in the profit and loss account and therefore no separate statement of total comprehensive income has been presented.


TSB (Investment Europe) Limited

Balance sheet As at 31 March 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Investments in shares	10	42,013	42,013
Investments in loans	11	<u>126,636</u>	<u>120,812</u>
Total fixed assets		<u>168,649</u>	<u>162,825</u>
Current assets			
Debtors	12	1,126	75
Cash at bank and in hand		<u>30</u>	<u>-</u>
Total current assets		<u>1,156</u>	<u>75</u>
Creditors: amounts falling due within one year	13	<u>(3,696)</u>	<u>(2,027)</u>
Net current liabilities		<u>(2,540)</u>	<u>(1,952)</u>
Creditors: amounts falling due after more than one year	14	<u>(146,056)</u>	<u>(146,056)</u>
Net assets		<u>20,053</u>	<u>14,817</u>
Capital and reserves			
Called-up share capital	15	35,561	35,561
Profit and loss account		<u>(15,508)</u>	<u>(20,744)</u>
Total shareholders' funds		<u>20,053</u>	<u>14,817</u>

The notes on pages 12 to 21 are an integral part of these financial statements.

The financial statements of TSB (Investment Europe) Limited (registration number: 3976730) were approved by the director and authorised for issue on 12 December 2017.


Linda M Aylmore
Director

TSB (Investment Europe) Limited

Statement of changes in equity For the year ended 31 March 2017

	Called-up share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 April 2015	35,561	(29,191)	6,370
Profit for the financial year	-	8,447	8,447
Total comprehensive income attributable to the owners of the company	-	8,447	8,447
At 31 March 2016	35,561	(20,744)	14,817
Profit for the financial year	-	5,236	5,236
Total comprehensive income attributable to the owners of the company	-	5,236	5,236
At 31 March 2017	35,561	(15,508)	20,053

TSB (Investment Europe) Limited

Notes to the financial statements For the year ended 31 March 2017

1. General information

The company is a private company limited by share capital and is incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Springfields
Salwick
Preston
Lancashire
PR4 0XJ

These financial statements are presented in Pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are prepared under the historical cost convention, except where stated in the accounting policies, in accordance with applicable Financial Reporting Standards 101 Reduced Disclosure.

The financial statements are prepared in accordance with the requirements of the Companies Act 2006 and the Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and applicable accounting standards.

2. Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

The financial statements have been prepared in accordance with The Companies Act 2006 using FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

Summary of disclosure exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations; group accounts have not been presented;
- the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006;
- the requirements of IFRS 7 Financial Instruments: Disclosures, the categories of financial instrument and nature and extent of risks arising on these financial instruments have not been detailed;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement, the valuation techniques applied to assets and liabilities held at fair value have not been disclosed;
- the requirements of paragraphs 59, B49 and B50 of IFRS 16 Leases, explanations of significant movements in changes have not been included;
- the requirements of paragraph 10(f) of IAS 1 Presentation of Financial Statements, a third statement of financial position has not been given to reflect the change in accounting policy;
- the requirements of IAS 7 Statement of Cash flows, a statement of cash flows has not been presented;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; the list of new IFRSs that have been issued but that have yet to be applied have not been disclosed;

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

2. Accounting policies (continued)

Summary of disclosure exemptions (continued)

- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Transactions, related party transactions between members of the group have not been disclosed; and
- the requirements of paragraphs 134 (d)-(f) and 135(c)-(e) of IAS 36 Impairment of Assets, the valuation techniques and assumptions used for assets held at fair value less cost to sell categorized as Level 2 and Level 3 in accordance with IFRS 13 fair value hierarchy have not been disclosed.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and financial risk management objectives are described in the Strategic report on pages 2 to 3.

After making enquiries, the director has a reasonable expectation that the company with its access to adequate resources through the WEC LLC DIP fund will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the UK.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

Exchange differences related to settled transactions are presented as operating income. Exchange differences related to unsettled balances are presented as interest payable and similar expenses.

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

2. Accounting policies (continued)

Investments in subsidiaries

Fixed asset investments are shown at cost less provision for diminution in value. The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment is required.

Financial instruments

Financial assets and financial liabilities are recognised in 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and debtors'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and debtors

Trade debtors, loans and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and debtors'. Loans and debtors are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term debtors when the recognition of interest would be immaterial.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

2. Accounting policies (continued)

Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised as the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities 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, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts 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.

Critical judgements in applying the company's accounting policies

The company has no critical judgements to disclose, apart from those involving estimations (which are dealt with separately below), that the director has made in the process of applying the company's accounting policies and that have the most significant effect on the accounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Estimated impairment of investments

In accordance with the accounting policy stated in note 2, the company periodically tests whether investments have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of estimates. The assumptions on which impairment testing is based include, but are not limited to, discount rate, useful economic life and cash flow forecasts for future business generation.

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

4. Operating profit

Operating profit for the financial year has been arrived at after crediting:

	2017 £ 000	2016 £ 000
Realised foreign exchange gains on settled transactions	<u>(5,844)</u>	<u>(8,864)</u>

Audit fees are borne by the immediate parent company Westinghouse Electric UK Holdings Limited.

5. Directors' remuneration

The director is remunerated by Westinghouse Electric Company UK Limited. The director has received no emoluments during the year in respect of their services as director of the company (2016: £nil) and it is not practicable to identify their costs in relation to these services.

6. Employee information

The company had no employees during the financial year ended 31 March 2017 (2016: nil).

7. Interest receivable and similar income

	2017 £ 000	2016 £ 000
Interest receivable from group undertakings	<u>1,375</u>	<u>1,361</u>
	<u>1,375</u>	<u>1,361</u>

8. Interest payable and similar expenses

	2017 £ 000	2016 £ 000
Interest payable to group undertakings	1,587	1,707
Unrealised exchange losses on unsettled balances	5	-
Bank fees	<u>9</u>	<u>8</u>
	<u>1,601</u>	<u>1,715</u>

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

9. Income tax expense

a) Tax expense included in profit and loss

	2017 £ 000	2016 £ 000
Current tax:		
UK corporation tax on profits for the year	(45)	-
Foreign tax suffered	427	137
Adjustment in respect of prior periods	-	(74)
Tax on profit	382	63

b) Tax expense for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016:20%). The differences are explained below:

	2017 £ 000	2016 £ 000
Profit before taxation	5,618	8,510
Profit before taxation multiplied by the standard rate of tax in the UK of 20% (2016:20%)	1,124	1,702
Effects of:		
Foreign taxes	427	137
Adjustments in respect of prior periods	-	(74)
Non taxable income in determining taxable profit	(1,169)	(1,773)
Losses carried back	-	71
Tax charge	382	63

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction in the corporation tax rate to 17%, to be effective from 1 April 2020, was announced in the Chancellor's 2016 budget.

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

10. Investments in shares

	Shares in subsidiaries £ 000
Cost or valuation	
At 1 April 2016	42,013
At 31 March 2017	42,013
Provision	
At 1 April 2016	-
At 31 March 2017	-
Carrying amount	
At 31 March 2016	42,013
At 31 March 2017	42,013

Details of the principal investments which the company holds more than a 20% participating interest are as follows:

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2017	2016
TNEE Electric Sweden Holdings AB	Nuclear Activities	Sweden	100%	100%
Westinghouse Electric Germany GmbH	Nuclear Activities	Germany	100%	100%

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

11. Investments in loans

	Loans to subsidiaries £ 000
Cost or valuation	
At 1 April 2016	120,812
Exchange movements	<u>5,824</u>
At 31 March 2017	<u>126,636</u>
Provision for impairment	
At 1 April 2016	<u>-</u>
At 31 March 2017	<u>-</u>
Carrying amount	
At 31 March 2016	<u>120,812</u>
At 31 March 2017	<u>126,636</u>

A non-interest bearing loan of €2,060,000 (£1,784,000) is repayable by Westinghouse Barras Provence SA on 31 March 2026. A loan of SEK 1,405,676,527.79 (£124,852,000) is repayable by TNEE Electric Sweden Holdings AB on 31 March 2026 and the interest rate applied is at a rate of SEK LIBOR plus 45 basis points.

12. Debtors

	2017 £ 000	2016 £ 000
Amounts owed by group undertakings	670	-
Corporation tax	<u>456</u>	<u>75</u>
	<u>1,126</u>	<u>75</u>

Within amounts owed by group undertakings is £625,000 from TNEE Electric Sweden Holdings AB for loan interest (note 11).

13. Creditors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Amounts owed to group undertakings	3,696	-
Bank overdraft	<u>-</u>	<u>2,027</u>
	<u>3,696</u>	<u>2,027</u>

Within amounts owed to group undertakings is a claim from WEC LLC of \$3,174,000 for the company's overdrawn share of the cash pool balance which was cancelled on 29 March 2017.

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

14. Creditors: amounts falling due after more than one year

	2017 £ 000	2016 £ 000
Amounts owed to group undertakings	146,056	146,056
	<u>146,056</u>	<u>146,056</u>

Amounts owed to group undertakings comprise a loan from Toshiba Nuclear Energy Holdings (UK) Limited which is repayable on 31 March 2026. The interest rate applied by Toshiba Nuclear Energy Holdings (UK) Limited is GBP LIBOR plus 45 basis points. The loan is on a non-secured basis.

15. Called-up share capital

Authorised shares

	2017 No.	2017 £ 000	2016 No.	2016 £ 000
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Allotted, called-up and fully paid shares

	2017 No.	2017 £ 000	2016 No.	2016 £ 000
Ordinary shares of £1 each	<u>35,561</u>	<u>35,561</u>	<u>35,561</u>	<u>35,561</u>

The company has one class of ordinary shares which carries no right to fixed income.
The director does not recommend payment of a dividend (2016: £nil).

16. Contingent Liabilities

The company has no other contingent liabilities and has issued no guarantees under Companies Act 2006 Section 394CA or 479C.

TSB (Investment Europe) Limited

Notes to the financial statements (continued) For the year ended 31 March 2017

17. Controlling party

The company is a subsidiary undertaking of Westinghouse Electric UK Holdings Limited and its ultimate parent company is Toshiba Corporation (Toshiba). Westinghouse Electric UK Holdings Limited is a subsidiary undertaking of Toshiba Nuclear Energy Holdings (UK) Limited which is owned in the following proportions:

87% Toshiba Corporation
10% National Atomic Company Kazatomprom JSC
3% IHI Corporation

On 16 February 2017, IHI Corporation exercised its put option to sell its shares to Toshiba. In accordance with the agreed steps and price under the Put Option Agreement transaction, Toshiba Corporation purchase of such 3% stake, was completed on 17 May 2017.

The smallest and largest group in which the results of the company are consolidated is that headed by Toshiba Corporation, a company incorporated in Japan. No other group financial statements include the results of the company. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Toshiba Corporation.

The consolidated financial statements of the group are available to the public and may be obtained from the Head Office of the Toshiba Corporation in Japan. The head office address is Toshiba, 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan.

18. Non adjusting events after the financial period

On October 2, 2017, Kazatomprom exercised its put option and plans to sell its shares in WEC LLC to Toshiba on January 1, 2018, at which point, Toshiba will own 100% of the Company. The owners have entered into Shareholders Agreements for TNEH UK (UK Shareholders Agreement), which define the owners' rights and obligations with respect to capitalisation, management, control, dividends, shareholdings and certain other matters relating to TNEH UK.