

Registered No. 927051

# **TDY Limited**

## **Report and Financial Statements**

31 December 2016

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## TDY Limited

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### **Directors**

A L Dudill  
E S Davis  
P J DeCourcy

### **Secretary**

E S Davis  
Gravitas Company Secretarial Services Limited  
One New Change  
London  
EC4M 9AF

### **Auditors**

Ernst & Young LLP  
Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

### **Solicitors**

K&L Gates LLP  
One New Change  
London  
EC4M 9AF

### **Registered Office**

President Way Works  
President Way  
Sheffield  
South Yorkshire  
S4 7UR

Incorporated in England

Registered No. 927051

## **Directors' report**

The directors present their report and financial statements for the year ended 31 December 2016.

This report is prepared in accordance with the small companies' exemption from preparing a Strategic Report.

### **Results and dividends**

The Loss for the year, after taxation, amounted to £20,708 (2015 Loss of £19,961).

### **Principal activities and review of the business**

TDY Limited is the parent undertaking for a number of companies in the UK ('UK group'), with the main subsidiaries being ATI Specialty Materials Ltd and Cuttech Limited. TDY Limited also has indirect subsidiaries Allegheny Technologies Ltd and Allegheny Technologies GmbH. The UK groups' principal activity during the year continued to be the production and distribution of alloys, super alloys and metals.

### **Going concern**

On the basis of their assessment of the company's financial position the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. No material uncertainties that cast doubt about the ability of the company to continue as a going concern have been identified by the directors.

### **Directors**

The directors who served the company during the year were as follows:

A L Dudill  
E S Davis  
P J DeCourcy

### **Directors' liabilities**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

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## **Directors' report (continued)**

### **Directors' statement of disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditors**

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



P J DeCourcy  
Director  
21<sup>st</sup> August 2017

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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. They 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.

# **Independent auditors' report**

## **to the members of TDY Limited**

We have audited the financial statements of TDY Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the Report and Financial Statements 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.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' Report have been prepared in accordance with applicable legal requirements.

## Independent auditors' report (continued)

to the members of TDY Limited

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled take advantage of the small companies' exemption in not preparing the Strategic Report.



Peter Buckler (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds  
23<sup>rd</sup> August 2017

## Income Statement

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Administrative expenses	2	(20,708)	(19,961)
<b>Operating Loss</b>		(20,708)	(19,961)
Loss on ordinary activities		(20,708)	(19,961)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities		<u>(20,708)</u>	<u>(19,961)</u>

## Statement of comprehensive income

for the year ended 31 December 2016

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £20,708 in the year ended 31 December 2016 (2015 loss of £19,961).

## Statement of changes in equity

for the year ended 31 December 2016

	Capital Contribution £	Share capital £	Share premium £	Profit and loss account £	Total share- holders' funds £
At 1 January 2015	45,684,053	4,300,002	10,625,625	1,410,174	62,019,854
Result for the Year	-	-	-	(19,961)	(19,961)
At 1 January 2016	45,684,053	4,300,002	10,625,625	1,390,213	61,999,893
Loss for Year	-	-	-	(20,708)	(20,708)
At 31 December 2016	<u>45,684,053</u>	<u>4,300,002</u>	<u>10,625,625</u>	<u>1,369,505</u>	<u>61,979,185</u>



## Statement of financial position

at 31 December 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments	5	60,241,105	60,241,105
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due within one year	6	2,191,726	2,191,726
		2,191,726	2,191,726
<b>Creditors:</b> amounts falling due within one year	7	(453,646)	(432,938)
<b>Net current assets</b>		1,738,080	1,758,788
<b>Net assets</b>		61,979,185	61,999,893
<b>Capital and reserves</b>			
Called up share capital	8	4,300,002	4,300,002
Share premium account	9	10,625,625	10,625,625
Capital Contribution	9	45,684,053	45,684,053
Profit and loss account		1,369,505	1,390,213
<b>Shareholders' funds</b>		61,979,185	61,999,893

The Accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors on 21st August 2017 and signed on its behalf by:



P J DeCourcy

Director

## Notes to the financial statements

at 31 December 2016

### 1. Accounting policies

#### **Statement of Compliance**

TDY Limited is a limited liability company incorporated in England and registered at President Way, Sheffield S4 7UR. The financial statements have been prepared in compliance with FRS102 for the year ended 31 December 2016.

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards. The financial statements are prepared in Sterling which is the functional currency of the company. The directors have taken advantage of the disclosure exemptions in respect of the requirements of section 7 Statement of Cash Flows, and section 33 Related Party and Key Personnel Disclosures (paragraph 33.6 and 33.7) in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement and consolidated financial statements. Please refer to note 10 for details on the consolidated financial statements and where they can be obtained.

#### **Going concern**

On the basis of their assessment of the company's financial position the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. No material uncertainties that cast doubt about the ability of the company to continue as a going concern have been identified by the directors.

#### **Group financial statements**

The company is a wholly owned subsidiary undertaking of a non-EC parent registered in the US and advantage has been taken of section 401 of the Companies Act 2006 in that group financial statements have not been prepared. The financial statements therefore present information about the company as an individual undertaking.

#### **Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

## Notes to the financial statements

at 31 December 2016

### 2. Operating profit

This is stated after charging:

	2016	2015
	£	£
Auditors remuneration – audit services	5,040	5,100
	<u>5,040</u>	<u>5,100</u>

### 3. Directors' remuneration

In 2016 none of the directors were remunerated by this company (2015 – £nil) and no directors were accruing benefits under a company pension scheme (2015 – £nil).

A L Dudill's remuneration is paid for by Allegheny Technologies Incorporated.

No contract of service directly between TDY International Limited and the Directors exists. Based on the size of the group, any allocation of directors' remuneration in relation to time spent on TDY Limited qualifying services were considered to be negligible.

### 4. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016	2015
	£	£
<i>Current tax:</i>		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Effect of changes in tax rates	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax per Income Statement (note 5(b))	<u>-</u>	<u>-</u>

#### (b) Factors affecting the total tax charge

The tax charge for the period differs from the standard rate of corporation tax in the UK of 20.00% (2015 – 20.25%)

The differences are reconciled below:

	2016	2015
	£	£
(Loss) on ordinary activities before taxation	<u>(20,708)</u>	<u>(19,961)</u>
Tax on loss on ordinary activities at standard rate of 20.00% (2015 – 20.25%)	(4,142)	(4,041)
Effects of group relief	4,142	4,041
Total tax (note 5(a))	<u>-</u>	<u>-</u>

## Notes to the financial statements

at 31 December 2016

### Tax (continued)

(c) Factors affecting future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 20.00% (2015 - 20.25%). The Finance Act 2015, which was substantively enacted on 26 October 2015, included provisions to reduce the main rate of corporation tax to 19% with effect from 1 April 2017 and then to 18% from 1 April 2020. The Finance Act 2016 then superseded this, introducing a reduction in the UK corporation tax to 17% from 1 April 2020.

Accordingly these rates have been applied in the measurements of deferred tax assets and liabilities at 31 December 2016. Deferred tax has been provided at 17% being the rate at which the timing differences are expected to reverse.

### 5. Investments

				<i>Subsidiary undertakings £</i>
Cost at 1 January 2016 and 31 December 2016				<u>60,241,105</u>
<i>Name</i>	<i>Holding</i>	<i>Activity</i>	<i>Country of Incorporation</i>	
Cuttech Limited	100% ordinary and redeemed preference	Parent undertaking	England and Wales	
ATI Specialty Materials Ltd	100% ordinary share capital	Manufacture and sale of alloy and super alloy Metals and Components	England and Wales	
Allegheny Technologies Ltd	100% ordinary share capital *	Distribution of Metals	England and Wales	
TDY Landis Machine Ltd	100% ordinary and preference share Capital	Dormant Company	England and Wales	
Allegheny Technologies GmbH	100% ordinary share capital *	Sale of specialty metal products	Germany	

\* shares held by a subsidiary undertaking

### 6. Debtors: amounts falling due within one year

	<i>2016 £</i>	<i>2015 £</i>
Amounts owed by group undertakings	<u>2,191,726</u>	<u>2,191,726</u>

## Notes to the financial statements

at 31 December 2016

### 7. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	244,768	222,644
Amounts owed to parent undertaking	198,378	198,378
Other creditors	10,500	11,916
	<u>453,646</u>	<u>432,938</u>

### 8. Issued share capital

	No.	2016	No.	2015
		£		£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	4,300,002	<u>4,300,002</u>	4,300,002	<u>4,300,002</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

### 9. Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Capital Contribution

This reserve is the additional Capital invested for reorganising the group.

### 10. Ultimate parent undertaking and controlling party

In the directors' opinion the ultimate parent undertaking, controlling party and parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member, is Allegheny Technologies Incorporated, incorporated in the state of Delaware, USA, and the parent undertaking of the smallest such European group is TDY Holdings Limited, registered in England and Wales. Copies of the financial statements of TDY Holdings Limited and Allegheny Technologies Incorporated are available from President Way Works, President Way, Sheffield, South Yorkshire, S4 7UR.