

Company Registration No. 2755939

Tata International Metals (UK) Limited
(formerly Tata Steel International (UK) Limited)

Annual Report and Financial Statements

for the 12 months ended 31 March 2015

Tata International Metals (UK) Limited

Annual report and financial statements for the 12 months ended 31 March 2015

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Tata International Metals (UK) Limited

Officers and professional advisers

Directors

Mr J Caouki
Mr AM Ponshe
Mr R Mani

Secretary

Miss L Callanan

Registered office

30 Millbank
London
SW1P 4WY

Independent auditor

Deloitte LLP
Chartered Accountants and Registered Auditor
London

Tata International Metals (UK) Limited

Strategic report

for the 12 months ended 31 March 2015

Strategic report

The Directors present the Strategic report of Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) (the Group) for the year ended 31 March 2015.

Principal activities

The principal activity of the Group is the performance of worldwide trade in steel and related materials.

Business review

The results of the Group are as follows:

	<i>Year ended</i> 31 March 2015	<i>Year ended</i> 31 March 2014
	£	£
Profit/(loss) for the financial year	<i>350,000</i>	<i>(111,000)</i>

Key performance indicators

	12 months ended 31 March 2015	12 months ended 31 March 2014
Return on sales (%) *	0.2	(0.1)
Gross margin to sales (%) **	4.3	6.7
Sales price per tonne (£)	375	444
Profit before tax	448,000	(139,000)

* Profit/(loss) before tax for the period over revenue

** Revenue less raw materials (incl. movements in stock) for the period over revenue

Tata International Metals (UK) Limited

Strategic report (continued)

for the 12 months ended 31 March 2015

As shown in the profit and loss account on page 9, the profit before tax for the year ended 31 March 2015, the key performance indicator for the business, has increased in comparison to the prior year. Whilst sales prices and margins have decreased over the prior year, volumes were improved with sales of 513kt during 2014/15 versus 452kt during 2013/14, an increase of 13%. Sales prices were much depressed during the year with sales prices for the period April to June 2014/15 averaging £401/mt versus £391/mt at the end of 2013/14. Prices fell further still in the period July to September 2014/15 reaching an average of £369/mt, recovering slightly in the period October to December 2014/15 to £380/mt before reaching a low for the year of £344/mt in the period January to March 2014/15. Overall the average sales price realised during 2014/15 was £375/mt, a reduction of 16% from the £444/mt average price attained in 2013/14. Despite the decrease in sales prices and margins, the increased volumes and exchange rate gains resulting from the strengthening United States Dollar resulted in a profit for the year.

The balance sheet on page 11 of the financial statements shows the Group's financial position at the end of the financial year. The net assets have increased from £13,435,000 to £13,785,000 as a result of the profit for the year.

Going concern

The Group's activities, together with the factors likely to affect its future development and position, are set out within this report. The Company plans to build on the volume increase seen this year of 13%, reaching 600kt during 2015/16, which is an increase over the current year of 17%. Additionally, focus is being given to the product mix to increase sales of higher margin products and therefore increase the overall gross margin. The Company's Directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future based on current plans and forecasts and the position of the Group, including the short term borrowing facilities referred to in note 12. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Principal risks and uncertainties

Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. Both the Interest bearing assets and liabilities are cash balances that earn or accrue interest at either a fixed or floating rate.

Currency risk

The Group has transactions in currencies other than its local currency. The Group matches transaction exposures in advance where possible and also enters into forward currency contracts if necessary. The Directors have assessed the exposure to currency transaction risk as acceptable.

Debtor Recoverability Risk

The Group has receivables with its customers globally, some of which are in politically unstable regions. To reduce the risk of recoverability the Group has global insurance for these receivables and specific insurance for higher risk regions (Kenya, Uganda and Tanzania) both to 90% of the value. The Directors have assessed the exposure to recoverability risk to be acceptable on this basis.

Tata International Metals (UK) Limited

Strategic report (continued)

for the 12 months ended 31 March 2015

Liquidity risk

The Group actively maintains short-term debt finance that is designed to ensure that the Group has sufficient available funds to manage operations.

On 7 March 2014 the Group entered into a facility agreement for \$50m comprising a \$30m allowance for letters of credit and a \$20m drawdown facility. The Group also utilises a disclosed invoice discounting agreement and overdraft facility in order to facilitate the growing demand for goods and services and to ensure that the Group has sufficient available funds to manage operations. As at 31 March 2015 £8,535,000 on the \$20m facility agreement (2014: £nil), £1,772,000 had been drawn down on the invoice discounting facility (2014: £648,000) and nil on the overdraft facility (2014: £4,978,000).

Future developments and subsequent events

The Group has no other significant future developments to report and there have been no other significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

By order of the Board



J Caouki

Director

29 April 2015

Tata International Metals (UK) Limited

Directors' report for the 12 months ended 31 March 2015

Directors' report

The Directors present their report and audited financial statements of Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) (the Group) for the year ended 31 March 2015.

Information disclosed in the strategic report

The following information has been disclosed in the strategic report:

- Principal activities
- Business review
- Principal risks and uncertainties including going concern; and
- Future developments

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 March 2015 (2014: £nil).

Directors

The Directors who held office during the financial year and up to the date of this report were as follows:

Mr J Caouki

Mr AM Ponkshe

Mr R Mani

Employees

Details of the number of employees and related costs can be found in note 7 to the financial statements.

Political and charitable donations

The Company did not make any political or charitable donations during the year (2014: £nil).

Director Indemnities

The Group has Directors & Officers Indemnity Insurance to cover the risk of director liabilities globally.

Tata International Metals (UK) Limited

Directors' report (continued) for the 12 months ended 31 March 2015

Directors' responsibilities statement

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). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of the Board



J Caouki

Director

29 April 2015

Independent auditor's report to the members of Tata International Metals (UK) Limited

We have audited the financial statements of Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) for the year ended 31 March 2015 which comprise the Group Profit and Loss Account, the Group Reconciliation of Movements in Shareholders' Funds, the Group and Parent Company Balance Sheets and the related notes 1 to 20. 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).

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, 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 group's and the parent 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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2015 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion 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.

Independent auditor's report to the members of Tata International Metals (UK) Limited (continued)

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Andrew Kelly (FCA) (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

29 April 2015

Tata International Metals (UK) Limited

Group profit and loss account

		Group	
		12 months ended	12 months ended
		31 March 2015	31 March 2014
	Notes	£'000	£'000
Turnover	2	191,875	200,511
Cost of Sales	3	(187,482)	(195,568)
Operating profit		4,393	4,943
Net operating expenses	3	(4,717)	(3,614)
Net finance charge	4	(490)	(143)
Net foreign exchange gains/(losses)	3	1,262	(1,325)
Profit/(loss) on ordinary activities before taxation		448	(139)
Tax on profit on ordinary activities	5	(98)	28
Profit/(loss) for the period	15	350	(111)

The above results relate wholly to continuing operations.

The company has no recognised gains or losses other than those included in the profit and loss account above and, therefore, no separate statement of recognised gains and losses has been presented.

Tata International Metals (UK) Limited

Reconciliation of the movement in group shareholders' funds

	Group	
	12 months ended	12 months ended
	31 March	31 March
	2015	2014
	£'000	£'000
Opening shareholder funds	13,435	13,546
Profit/(loss) for the period	350	(111)
Closing shareholder funds	<u>13,785</u>	<u>13,435</u>

Tata International Metals (UK) Limited

Balance sheet

	Notes	31 March 2015		31 March 2014	
		Group £'000	Company £'000	Group £'000	Company £'000
Fixed assets					
Investments	17	-	-	-	-
Tangible assets	9	4	4	5	5
Current assets					
Stocks	10	83	83	5,578	5,578
Debtors: amounts falling due within one year	11	34,704	34,704	42,224	42,224
Cash at bank and in hand		382	382	1,424	1,424
		<u>35,169</u>	<u>35,169</u>	<u>49,226</u>	<u>49,226</u>
Creditors: amounts falling due within one year					
	12	<u>(20,865)</u>	<u>(20,865)</u>	<u>(35,646)</u>	<u>(35,646)</u>
Total assets less current liabilities					
		<u>14,308</u>	<u>14,308</u>	<u>13,585</u>	<u>13,585</u>
Provisions for liabilities and charges					
	13	<u>(523)</u>	<u>(523)</u>	<u>(150)</u>	<u>(150)</u>
Net assets					
		<u>13,785</u>	<u>13,785</u>	<u>13,435</u>	<u>13,435</u>
Capital and reserves					
Called up share capital	14	1,657	1,657	1,657	1,657
Profit and loss account	15	12,128	12,128	11,778	11,778
Total shareholder funds					
		<u>13,785</u>	<u>13,785</u>	<u>13,435</u>	<u>13,435</u>

The financial statements of Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited), registered number 2755939 were approved by the Board of Directors on 29 April 2015 and signed on its behalf by:



J Caouki
Director

29 April 2015

Tata International Metals (UK) Limited

Notes to the financial statements

1. Presentation of accounts and accounting policies

These financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The accounts have been prepared for the 12 month period to 31 March 2015 with comparative information shown for the 12 month period to 31 March 2014. As set out in the Strategic report, the ability of the Group to continue as a going concern has been assessed and these accounts have been prepared on a going concern basis.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the company and its subsidiary. The profits or losses of subsidiaries are included from the date of acquisition or up to the date of their disposal.

Stocks

Stocks relate to steel stocks in transit at the balance sheet date where the risks and rewards of ownership have not yet transferred to the customer and are stated at the lower of cost and net realisable value. Cost is measured as actual cost incurred for purchasing of the goods.

Turnover

Turnover, which excludes value added tax, represents the sales value of steel sold in the period. Turnover is recognised when the risk and rewards of the transactions are transferred in accordance with the Incoterm stated in the sales contract.

Deferred taxation

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. Liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Company has chosen not to discount deferred tax assets and liabilities.

Both current and deferred tax items are calculated using the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. This means using tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised within equity. There is a deferred tax asset of £Nil as at 31 March 2015 (2014: £28,000).

Foreign currency translation

Transactions in overseas currencies are translated at the exchange rate ruling at the date of the transaction or, where forward cover contracts have been arranged, at the contracted rates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date or at a contracted rate, if applicable, and any exchange differences arising are taken to the profit and loss account. The company has not adopted the fair value rules of the Companies Act 2006 and, accordingly does not state derivative financial instruments at fair value.

Tata International Metals (UK) Limited

Notes to the financial statements

Financial instruments

The Group uses derivative financial instruments to hedge the group's exposure to fluctuations in foreign exchange rates. Gains and losses on foreign currency hedges are recognised on maturity of the underlying transaction in the financial statements.

Pension costs

The Group operates a Defined Contribution scheme. The cost of providing pension benefits is charged to the profit and loss account as incurred. Further details are given in note 16.

Cash flow

The financial statements do not include a cash flow statement because the company, as a wholly-owned subsidiary, is exempt from the requirements to prepare such a statement under Financial Reporting Standard Number 1 (revised 1996) "Cash Flow Statements".

Tangible assets

Tangible assets are subject to depreciation using the straight line method over their estimated period of benefit of 7 years, at which time they will have a residual value of zero. Further details are given in note 9.

Fixed asset investments

Investments are stated at cost less provision for diminution in value where appropriate.

Tata International Metals (UK) Limited

Notes to the financial statements

2. Turnover

Geographical market analysis of turnover by value is set out below:

	Group	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Africa	109,050	109,156
USA	36,628	34,127
Asia	21,593	17,287
Europe (excluding EU)	11,266	30,586
Central/South America	7,609	1,262
European Union (excluding UK)	5,477	8,085
Other North America	235	8
United Kingdom	17	-
	<u>191,875</u>	<u>200,511</u>
Included in the above:		
Sales to group companies (within Tata International Limited)	<u>47,744</u>	<u>52,375</u>

3. Net operating costs

	Group	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Changes in stocks of finished goods	5,495	589
Purchase of raw materials and consumables	178,139	186,501
Other external charges	3,848	8,478
Employment costs	1,243	1,106
Other operating expenses	3,474	2,508
Total foreign exchange (gains)/losses	(1,262)	1,325
	<u>190,937</u>	<u>200,507</u>

Other operating expenses is inclusive of other income of £613,000.

The above costs are stated after charging:

Fees payable for the audit of parent company and consolidated accounts	<u>30</u>	<u>29</u>
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In 2015, amounts payable to Deloitte LLP by the company in respect of non-audit services were £nil (2014: £nil).

Tata International Metals (UK) Limited

Notes to the financial statements

4. Net finance charge

	Group	
	12 months ended	12 months ended
	31 March 2015	31 March 2014
	£'000	£'000
Interest payable and similar charges	490	143

5. Tax charge on profit/(loss) on ordinary activities

	Group	
	12 months ended	12 months ended
	31 March 2015	31 March 2014
	£'000	£'000
Deferred tax:		
Deferred tax charge/(credit) for the period	28	(28)
Current tax:		
UK corporation tax on profits for the period	70	-
Current tax charge/(credit)	98	(28)
The current tax charge/(credit) reconciles with the standard rate of corporation tax as follows:		
Profit/(loss) on ordinary activities before taxation	448	(139)
Tax on result at standard rate of 21% (2014: 23%)	94	(33)
Effects of:		
Accelerated capital allowances	(1)	(2)
Non deductible costs	5	7
Movement in tax losses	(28)	28
	70	-

The reduction in the tax rate from 23% to 21% effective from 1 April 2014 as announced in the March 2013 Budget and substantively enacted on 2 July 2013 resulted in a corporation tax rate for 2014 financial year of 21%.

A further reduction to 20% from 1 April 2015 also announced in the March 2013 Budget and substantively enacted on 2 July 2013, but this had no impact on the results for the year.

The change in the corporation tax rate from 23% to 21% from 1 April 2014 will not materially affect the future tax charge.

Tata International Metals (UK) Limited

Notes to the financial statements

6. Result of the company

As permitted by section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit for the financial year is £350,000 (2014: loss £115,000).

7. Employees

	Group	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Total costs of all employees in the company were:		
Wages and salaries	1,032	877
Social security costs	156	168
Other pension costs	55	61
	1,243	1,106
	1,243	1,106

7. Employees (continued)

The average monthly number of employees of the company during the period was:

	Group	
	12 months ended 31 March 2015 Number	12 months ended 31 March 2014 Number
Management	2	2
Staff	12	11
	14	13
	14	13

8. Directors' emoluments

During the year a charge of £201,000 was paid in respect of these directors (2014: £222,000). The highest paid Director earned £201,000 (2014: £222,000).

Tata International Metals (UK) Limited

Notes to the financial statements

9. Tangible assets

The Group holds laptops and desktops the value of which is defined below:

	Group		Company	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Gross asset value				
At 31 March 2014	5	5	5	5
Additions	-	-	-	-
Disposals	-	-	-	-
Carried forward value	5	5	5	5
Accumulated depreciation				
At 31 March 2014	-	-	-	-
Depreciation	1	-	1	-
Carried forward value	1	-	1	-
Net book value as at 31 March 15	4	5	4	5

10. Stocks

	Group		Company	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Finished goods and goods for resale	83	5,578	83	5,578

Tata International Metals (UK) Limited

Notes to the financial statements

11. Debtors: amounts falling due within one year

	Group		Company	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Trade debtors	32,987	27,940	32,987	27,940
Amounts owed by group companies	1,443	13,117	1,443	13,117
Corporation tax	61	58	61	58
Deferred tax asset	-	28	-	28
Other taxation and social security	2	936	2	936
Other debtors	211	145	211	145
Total debtors	34,704	42,224	34,704	42,224

12. Creditors: amounts falling due within one year

	Group		Company	
	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000	12 months ended 31 March 2015 £'000	12 months ended 31 March 2014 £'000
Trade creditors	1,732	1,057	1,732	1,057
Amounts owed to group companies	3,250	19,402	3,250	19,402
Corporation tax creditor	-	-	-	-
Accruals and deferred income	5,576	9,561	5,576	9,561
Short-term borrowing	10,307	5,626	10,307	5,626
	20,865	35,646	20,865	35,646

On 7 March 2014 the Group entered into a facility agreement for \$50m comprising a \$30m allowance for letters of credit and a \$20m drawdown facility. The Group also utilises a disclosed invoice discounting agreement and overdraft facility in order to facilitate the growing demand for goods and services and to ensure that the Group has sufficient available funds to manage operations. As at 31 March 2015 £8,535,000 on the \$20m facility agreement (2014: £nil), £1,772,000 had been drawn down on the invoice discounting facility (2014: £648,000) and nil on the overdraft facility (2014: £4,978,000).

Tata International Metals (UK) Limited

Notes to the financial statements

13. Provisions for liabilities and charges

	Group £'000	Company £'000
Balance at 31 March 2014	150	150
Utilised during the period	(38)	(38)
Accrued during the period	411	411
	<u>523</u>	<u>523</u>
Balance at 31 March 2015	523	523

The above provision for liabilities and charges relates to a customer dispute for incorrect material supplied, a cost for delayed shipment and ground rent which are expected to be settled within 12 months of the balance sheet date and a supplier dispute relating to delayed shipment.

14. Called up share capital

	31 March 2015 £'000	31 March 2014 £'000
Authorised, allotted, issued and fully paid 1,657,666 at ordinary shares of £1 each	<u>1,657</u>	<u>1,657</u>

15. Reserves

	Group £'000	Company £'000
At 31 March 2014	11,778	11,778
Profit for the period	350	350
	<u>12,128</u>	<u>12,128</u>
At 31 March 2015	12,128	12,128

16. Pension and similar obligation

The Company operates a Defined Contribution scheme. The pension cost for the 12 months to 31 March 2015 amounted to £55,477 (12 months to 31 March 2014: £61,457).

17. Principal subsidiary undertakings

Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) holds 100% of the equity and shares of Industrial Steels Limited (£2) (2014: £2), which is incorporated in the United Kingdom and registered in England and Wales, number 4138235. Industrial Steels Limited is a dormant company and has taken a 384A exemption from preparing individual accounts.

18. Derivative financial instruments

The group's local currency is pounds sterling but a significant proportion of sales and purchases are denominated in different currencies, mainly United States Dollars or Euros. As a result, the group is subject to foreign currency exchange risk due to exchange rate movements between pounds sterling and the other currencies. The group seeks to reduce these risks by entering into forward contracts. These forward contracts have not been recorded in the financial statements at the balance sheet date as the Company has not adopted FRS26. There are 3 open forward contracts with a combined fair value of £271,695 at the balance sheet date.

Tata International Metals (UK) Limited

Notes to the financial statements

19. Related party transactions

Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) is an indirect subsidiary of Tata Sons Limited, the consolidated accounts of which are publicly available. In accordance with FRS8 'Related Parties' the company is exempt from disclosing transactions with entities that are part of the Tata Sons Limited Group.

20. Ultimate parent undertaking and controlling party

Tata International Singapore Pte is the company's immediate parent company, which is registered in Singapore.

Tata International Limited, a company incorporated in India, is the intermediate parent company and Tata Sons Limited, also incorporated in India, the ultimate parent and controlling party.

Tata International Singapore Pte Ltd is the smallest group, and Tata Sons Limited the largest group to consolidate these financial statements.

Copies of reports and accounts for Tata International Singapore Pte Ltd may be obtained from the Secretary, 22 Tanjong Kling Road, Singapore 628048.

Copies of the Report & Accounts for Tata International Limited may be obtained from the Secretary, Trent House, C-60, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

Copies of the Report and Accounts for Tata Sons Limited may be obtained from the Secretary, Tata Sons Limited, Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001.