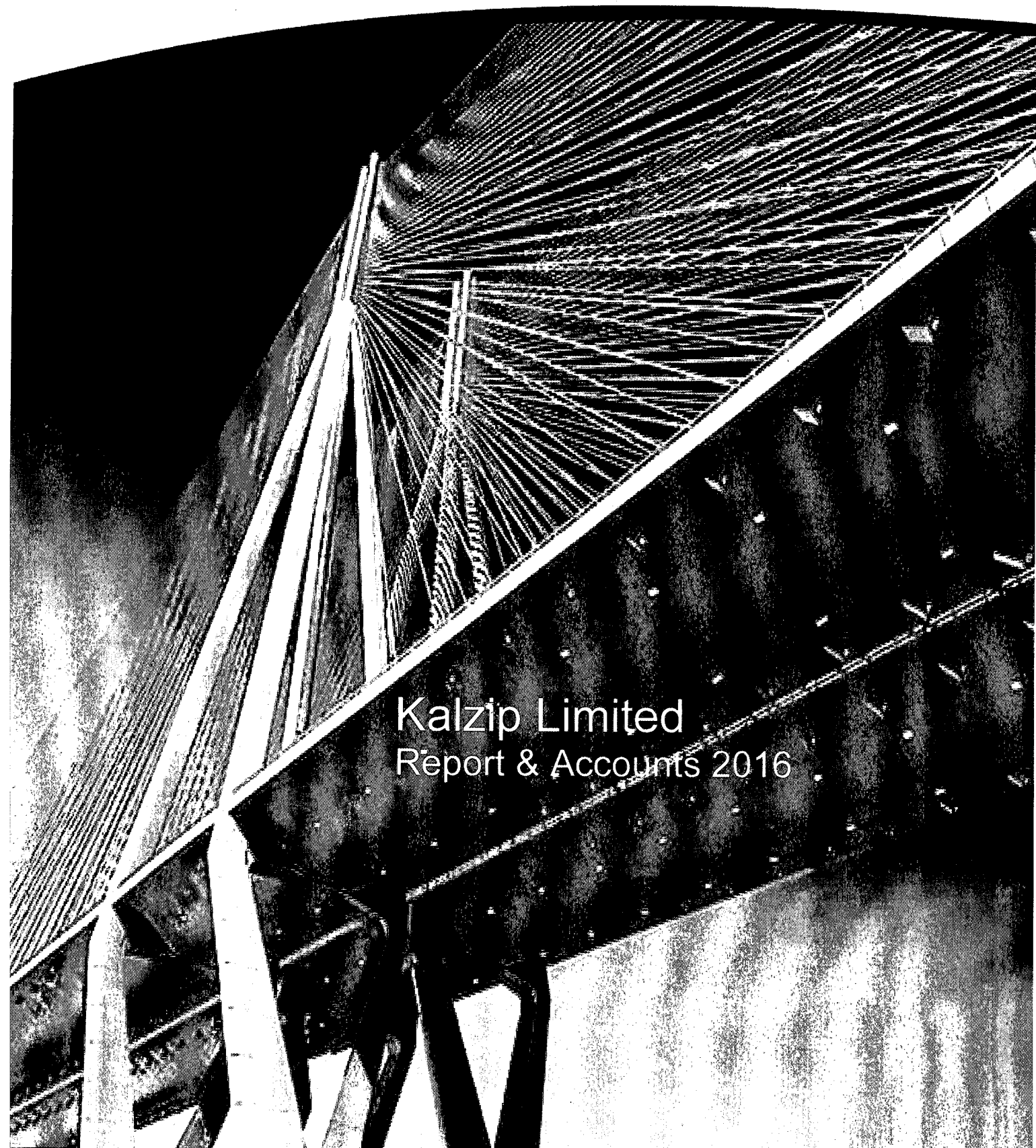


AMENDED

TATA STEEL



Kalzip Limited
Report & Accounts 2016



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A. Directors and advisors

Directors

J Schwall
A Mills

Secretary and registered office

J Dempster

Haydock Lane
Haydock
St Helens
Merseyside
United Kingdom
WA11 9TY

Company number

2128169

Auditor

Deloitte LLP
Bristol
United Kingdom

B. Strategic report

Introduction

The directors have pleasure in presenting the Strategic report of Kalzip Limited ('the Company') for the year ended 31 March 2016.

Principal activities

The Company is a wholly owned subsidiary within the Tata Steel Europe Limited ('TSE') Group and its activities are managed as an integral part of the parent's operations.

The principal activity of the Company is the sale of aluminium building products throughout the world. The principal activities changed in 2013/14 following the restructuring of Kalzip's European operations. The main part of this restructuring was the consolidation of all in-house manufacturing from Haydock (UK) to Koblenz (Germany) and downsizing of support functions in the UK. Kalzip Limited is now acting as a sales agent of Kalzip GmbH, Germany.

The Company owns, or has access to, TSE Group sales offices, stockholders, service centres and joint venture or associate arrangements in a number of markets for distribution and further processing. These are supported by various agency agreements. There is an extensive network in the EU, while outside the EU there are sales offices in over thirty countries, supported by a worldwide trading network and a number of processing and service centres. There have not been any significant changes in the principal activities in the year under review.

Going concern

On 29th March 2016, following a recommendation from Tata Steel Limited ('TSL'), the Company's ultimate shareholder, the directors of TSE resolved to consider all possible restructuring options including the potential divestment of Tata Steel UK Limited ('TSUK'). This process has started and remains ongoing but, pending its conclusion, the outcome of the restructuring or sale remain uncertain.

TSE and its subsidiaries are financed in part through the Senior Facilities Agreement and other long term loans introduced by the parent from time to time and in part through working capital support provided by Tata Steel Global Procurement Co. Pte Limited, a subsidiary of TSL, under arrangements which have been authorised, and are supported, by TSL. TSL has approved the continued provision of working capital support to TSE and its subsidiaries subject to certain restrictions.

Based on the mandate of the ultimate parent of the Company, TSL, on 29 March 2016, the Board of TSE is evaluating all options for TSUK, including the potential divestment. Currently, the process of evaluation of a potential divestment is underway and representatives of TSE are engaged in discussions with the UK and Welsh Governments to facilitate the restructuring options. In the absence of a conclusive outcome of the restructuring or sale, there exists a material uncertainty for the future of the Company.

For these reasons, while the directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future, they have concluded that there exists a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

However, the directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Business review

During the year the Company transitioned from United Kingdom Generally Accepted Accounting Practice (UK GAAP) to Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent company, Tata Steel UK Limited, was notified of and approved the use of the disclosure exemptions.

TSE manages its operations on a divisional and sector basis. For this reason the Company's directors do not believe that the key performance indicators of the Company (or discussion thereof) are necessary or appropriate for an understanding of the development, performance or position of the business. The performance of TSE, which includes the Company, is discussed in the TSE Annual Report, which does not form part of this report.

The Company reported a loss after tax of £0.1m (2015: £1.2m profit).

B. Strategic report

Principal risks and uncertainties

Discussion of the principal risks and uncertainties affecting the TSE Group are included in the TSE Annual Report & Accounts.

The Company has no external bank financing and is linked to the group cash pooling facility, and so shares banking arrangements with its parent and fellow subsidiaries.

The Company is currently acting as an agent for Kalzip GmbH (Germany) and the costs of the agency activities for Kalzip GmbH will be recovered at least at cost. The Company has received assurances from the directors of Kalzip GmbH that such costs will be recovered at least at cost for a period of at least 12 months from the date of this report.

The principal risks and uncertainties affecting the Company include exposure through the Company's activities to a number of financial risks including working capital management risk, credit management risk and exchange rate risk.

Working capital management risk

The Company has exposure to working capital movements during the course of a financial year as working capital outflows can occur from project delays, higher stock levels and overdue debts. Inflows of cash are also expected from higher volume months, cashing of overdues and regular monitoring of stock levels.

The key controls in place to monitor such risks include:

- Credit management controls and procedures as noted separately below;
- Monitoring of incoming stock to targets set;
- Monitoring of slow-moving stock levels and obsolete materials; and
- Ratio analysis in the form of DSO, DIO and DPO as per group guidelines.

Credit management risk

The Company's principal financial assets are bank balances and cash, trade and other debtors and stock. A high proportion of the customer base is covered by credit insurance and the key controls in place to mitigate this risk include:

- Internal credit checks prior to deliveries;
- Regular credit checks using financial organisations and financial statements; and

- Closely monitored credit control procedures.

Exchange rate risk

The Company's exposure to exchange rate risk comes from trading within different countries and, both in buying materials and services and selling finished products and services. The key controls in place to mitigate this risk include:

- Ensuring there are debtor and creditor balances within the same currency where appropriate;
- Regular monitoring of price lists and currency fluctuations;
- Currency contracts utilised by our group parent to mitigate the effect of spot rate changes; and
- Monitoring of the exchange rate variance account in the income statement.

Employees

Details of the number of employees and related costs can be found in Note 4 to the financial statements on page 16.

The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, and employs them where suitable work can be found. The requirements of job applicants and existing members of staff who have a disability are reviewed to ensure that reasonable adjustments are made to enable them to perform as well as possible during the recruitment process and while employed. All reasonable measures are taken to ensure that disabled employees are given the opportunity and facilities to participate fully in the workplace, in training and in career development and promotion opportunities. In addition, every effort is made to find appropriate alternative jobs for those who become disabled while working for the Company.

Future developments and subsequent events

The directors expect better results for the next financial year, mainly as a result of the finalization of the transition to the agency status and coverage of costs by the cost plus model to recharge costs to Kalzip GmbH.

B. Strategic report

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



Anthony Mills
Director

Registered Office:
Haydock Lane
Haydock
St Helens
Merseyside
United Kingdom
WA11 9TY
7th March 2017

C. Directors' report

The Board

The directors of the Company are listed on page 2.

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors in respect of liabilities they may incur in relation to the affairs of the Company. In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Results and dividends

The results of the Company show a loss after tax of £0.1m (2015: £1.2m profit). The directors do not recommend the payment of a final dividend (2015: £nil).

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

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

- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) the director has taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's 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

Deloitte LLP has indicated its willingness to be reappointed as auditor to the Company for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an AGM. Deloitte Haskins & Sells in India is the auditor of the ultimate parent company, TSL.

Information disclosed in the Strategic report

The following information has been disclosed in the strategic report:

- A review of the business for the year (page 3); and

- Policies on employment of disabled persons, recruitment, training, employee involvement, communication and consultation (page 4);

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



Anthony Mills
Director

Registered Office:
Haydock Lane
Haydock
St Helens
Merseyside
United Kingdom
WA11 9TY

7th March 2017

D. Directors' responsibilities statement on the Company's financial statements

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 FRS 101 '*Reduced Disclosure Framework*' and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

E. Independent auditor's report to the members of Kalzip Limited

We have audited the financial statements of Kalzip Limited for the year ended 31 March 2016 which comprise the income statement, the balance sheet, the statement of changes in equity and related notes 1 to 17. 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 FRS 101 "Reduced Disclosure Framework".

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 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 Company's affairs as at 31 March 2016 and of its loss 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.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Strategic report and on page 13 of the financial statements concerning the Company's ability to continue as a going concern.

The uncertainty over the completion of the restructuring or potential sale of the Company's parent, Tata Steel UK Limited and the provision of working capital support to TSUK along with the other matters set out on page 3 indicate the existence of a material uncertainty which may cast significant doubt over the ability of the Company to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

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

E. Independent auditor's report to the members of Kalzip Limited

- 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 light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and the Directors' report.

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, 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.

Andrew Wright

Andrew Wright FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
9 March 2017

F1. Income statement

For the financial year ended 31 March

	Note	2016 £	2015 £
Revenue	1	2,595,491	8,916,069
Cost of sales		(1,723,448)	(5,471,907)
Gross profit		872,043	3,444,162
Administrative expenses	2	(998,514)	(2,293,061)
Operating (loss)/profit		(126,471)	1,151,101
Net finance (costs)/income	5	(2,844)	448
(Loss)/profit before taxation		(129,315)	1,151,549
Taxation charge	6	-	-
(Loss)/profit after taxation		(129,315)	1,151,549

All references to 2016 in the Financial statements, the Presentation of accounts and accounting policies and the related Notes 1 to 17 refer to the financial year ended 31 March 2016 or as at 31 March 2016 as appropriate (2015: the financial year ended 31 March 2015 or as at 31 March 2015).

Statement of comprehensive income

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

Notes and related statements forming part of these accounts appear on pages 15 to 19.

F2. Balance sheet

At 31 March

	Note	2016 £	2015 £
Non-current assets			
Property, plant and equipment	7	229,151	281,762
Current assets			
Inventories	8	45,741	116,028
Trade and other receivables	9	2,619,382	3,180,090
Cash and cash equivalents		9,819	194,907
TOTAL ASSETS		2,904,093	3,772,787
Current liabilities			
Trade and other payables	10	(664,278)	(1,227,973)
Provisions	12	(704,148)	(879,832)
TOTAL LIABILITIES		(1,368,426)	(2,107,805)
NET ASSETS		1,535,667	1,664,982
Equity			
Share capital	15	3,700,000	3,700,000
Accumulated deficit		(2,164,333)	(2,035,018)
TOTAL EQUITY		1,535,667	1,664,982

The financial statements on pages 10 to 19 were approved by the board of directors and signed on its behalf by:



Anthony Mills
Director

7th March 2017
Kalzip Limited
Registered No: 2128169

Notes and related statements forming part of these accounts appear on pages 15 to 19.

F3. Statement of changes in equity

	Share capital £	Accumulated deficit £	Total equity £
Balance as at 31 March 2014	3,700,000	(3,186,567)	513,433
Total comprehensive income for the year	-	1,151,549	1,151,549
Balance as at 31 March 2015	3,700,000	(2,035,018)	1,664,982
Total comprehensive loss for the year	-	(129,315)	(129,315)
Balance as at 31 March 2016	3,700,000	(2,164,333)	1,535,667

Notes and related statements forming part of these accounts appear on pages 15 to 19.

F4. Presentation of accounts and accounting policies

I Basis of preparation

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

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. FRS 101 'Reduced Disclosure Framework' ('FRS 101') as issued by the Financial Reporting Council becomes effective for accounting periods beginning on or after 1 January 2015. The Company has undergone transition from reporting under United Kingdom Accounting Standards (UK GAAP) to FRS 101. As such these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the prior year financial statements were restated on adoption of FRS 101 in the current year. In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring its assets and liabilities are measured in compliance with FRS 101. No transition notes have been prepared for the opening balance sheet as there have been no effects of transition to FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to IAS 1, presentation of comparative information in respect of certain assets (including intangible and tangible assets), IAS 7, presentation of a cash flow statement, IAS 8, standards not yet effective, and IAS 24, related party transactions with Tata Steel group companies.

The Company has chosen to early adopt the amendments to FRS 100 and 101 (issued in September 2015), updated to reflect changes to UK company law to implement the EU Accounting Directive. Two of the key aspects of the amendments include: greater flexibility in relation to the format of the income statement and balance sheet, allowing the use of a presentation close to IFRS-based financial statements and removal of the requirement to present a third balance sheet on adoption of IFRS 1. As a result, changes to UK company law SI2015/980 have also been adopted in the financial year.

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior period.

On 29th March 2016, following a recommendation from Tata Steel Limited ('TSL'), the Company's ultimate shareholder, the directors of TSE resolved to consider all possible restructuring options including the potential divestment of Tata Steel UK Limited ('TSUK'). This process has started and remains ongoing but, pending its conclusion, the outcome of the restructuring or sale remain uncertain.

TSE and its subsidiaries are financed in part through the Senior Facilities Agreement and other long term loans introduced by the parent from time to time and in part through working capital support provided by Tata Steel Global Procurement Co. Pte Limited, a subsidiary of TSL, under arrangements which have been authorised, and are supported, by TSL. TSL has approved the continued provision of working capital support to TSE and its subsidiaries subject to certain restrictions.

Based on the mandate of the ultimate parent of the Company, TSL, on 29 March 2016, the Board of TSE is evaluating all options for TSUK, including the potential divestment. Currently, the process of evaluation of a potential divestment is underway and representatives of TSE are engaged in discussions with the UK and Welsh Governments to facilitate the restructuring options. In the absence of a conclusive outcome of the restructuring or sale, there exists a material uncertainty for the future of the Company.

For these reasons, while the directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future, they have concluded that there exists a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. However, the directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

II Use of estimates and critical accounting judgements

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

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

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

III Critical accounting policies

(a) Inventories

Inventories of raw materials are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution. Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their local product lines and market conditions.

(b) Taxation

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

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

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

F4. Presentation of accounts and accounting policies

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.

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 substantively enacted by the end of the reporting period. 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 dealt with in equity.

(c) Pension costs

The Company participates in the British Steel Pension Scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. For the purposes of IAS 19 ('Retirement Benefits'), the Company has been unable to identify its share of the underlying assets and liabilities in the main group scheme on a consistent and reasonable basis. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme.

For defined contribution schemes, the amount charged to the income statement is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(d) Property, plant and equipment

Property, plant and equipment is recorded at fair value on acquisition less accumulated depreciation and any recognised impairment loss.

Depreciation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value.

The estimated useful lives for the main categories of property, plant and equipment are:

	Life Years
Leasehold improvements	Over term of lease
Office equipment and furniture	10
Plant, equipment and machinery	4

(e) Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is when they have accepted physical delivery and control of the goods. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts due for

goods and services provided in the normal course of business net of discounts, VAT and other sales related taxes.

(f) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at the end of each reporting period. Income statement items and cash flows are translated into sterling at the average rates for the financial period.

(g) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The detailed accounting treatment for such items can differ, as described in the following sections:

(i) Trade debtors and group company receivables

Trade debtors receivables from group undertakings are initially recorded at their fair value and are subsequently measured at amortised cost, as reduced by appropriate allowances for any impairment. Provisions for impairment are made where there is a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade debtor or receivable from group undertaking is determined to be uncollectable it is written off, firstly against any provision available and then to the income statement. Subsequent recoveries of amounts previously provided for are credited to the income statement.

The recoverability of receivables from group undertakings, being principally TSUK Limited, have been considered in light of the going concern basis adopted, as described on page 13.

(ii) Financial liabilities

Financial liabilities are classified according to the terms of the individual contractual arrangements.

(iii) Trade payables

Trade creditors are initially recorded at fair value and are subsequently measured at their amortised cost.

(h) Operating leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the term of the lease.

F5. Notes to the financial statements

For the financial year ended 31 March

1. Revenue

The Company's revenue arose from the production and sale of aluminium building products. An analysis of revenue by destination is shown below:

	2016 £	2015 £
UK	1,325,696	5,621,238
Other EU countries	54,725	185,591
USA and Canada	9,376	443,773
Asia	1,205,768	1,613,705
Africa	0	189,935
North America	0	861,827
	2,595,565	8,916,069

2. Operating costs

	2016 £	2015 £
Costs by type:		
Administrative expenses	998,514	2,293,061
	998,514	2,293,061

	2016 £	2015 £
The above costs are stated after including:		
Depreciation of owned assets (see note 7)	52,611	100,206
Restructuring costs (see note 3 and 12)	-	(736,097)
Operating lease rentals:		
Plant and machinery	35,033	161,667
Leasehold property	257,162	277,187
Vehicles	61,467	83,930
Net exchange losses/(gains)	111,142	(156,111)

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	19,443	18,015

3. Net restructuring costs

	2016 £	2015 £
Credits for restructuring and related measures:		
Redundancy and related costs (See note 12)	-	(736,097)
Total net restructuring costs	-	(736,097)

F5. Notes to the financial statements

4. Employees

	2016	2015
	£	£
The total employment costs of all employees in the Company were:		
Wages and salaries	1,203,545	1,351,901
Social security costs	120,802	125,104
Other pension costs	148,406	154,805
	1,472,753	1,631,810

(i) The average number of employees during the year was as follows:

	2016	2015
	Number	Number
By activity:		
Technical	6	7
Administration and management	35	39
	41	46

(ii) Directors' emoluments were as follows

	2016	2015
	£	£
Aggregate emoluments	78,109	-

5. Net finance (costs)/income

	2016	2015
	£	£
Interest (expense)/income on (overdrafts)/short-term deposits	(2,844)	448

6. Taxation

	2016	2015
	£	£
Current UK corporation tax	-	-

The total income statement taxation effect for the year can be reconciled to the accounting (loss)/profit as follows:

	2016	2015
	£	£
(Loss)/profit before taxation	(129,315)	1,151,549
(Loss)/profit multiplied by the standard corporation tax rate of 20% (2015: 21%)	(25,863)	241,825
Effects of:		
Accelerated capital allowances	3,163	(3,378)
Other non-deductible costs	814	921
Group relief surrendered/(claimed) free of charge	21,886	(239,368)
	-	-

Corporation tax is calculated at 20% of the taxable loss for the year. The decrease in the rate is caused by a change in the statutory tax rate in the UK which reduced from 21% to 20% during the year.

F5. Notes to the financial statements

7. Property, plant and equipment

	Zippers £	Leasehold improvements £	Plant and machinery £	Fixtures, and office equipment £	Total £
Cost as at 1 April 2015	67,250	146,319	2,836,838	413,523	3,463,930
Additions	-	-	-	-	-
Disposals	-	-	(19,000)	-	(19,000)
Cost as at 31 March 2016	67,250	146,319	2,817,838	413,523	3,444,930
Depreciation as at 1 April 2015	-	89,949	2,714,683	377,536	3,182,168
Charge for the year	-	11,987	26,702	13,922	52,611
Disposals	-	-	(19,000)	-	(19,000)
Depreciation as at 31 March 2016	-	101,936	2,722,385	391,457	3,215,779
Net book value as at 31 March 2016	67,250	44,383	95,453	22,065	229,151
Net book value as at 31 March 2015	67,250	56,370	122,155	35,987	281,762

8. Inventories

As at 31 March	2016 £	2015 £
Raw materials	12,385	19,307
Finished goods and goods for resale	33,356	96,721
	45,741	116,028

An amount of £1,327 (2015: £91,702) was written off to the profit and loss account.

9. Trade and other receivables

As at 31 March	2016 £	2015 £
Trade receivables	1,115,407	2,225,602
Amounts owed by group companies	1,351,189	771,313
Other taxation and social security	21,684	12,936
Prepayments and accrued income	131,102	170,239
	2,619,382	3,180,090

Amounts owed by group companies includes £1,028,312 of cash (2015: £350,862) held on behalf of the Company which is repayable on demand, reflecting that the Company is part of a group cash pooling arrangement. No interest is charged on this balance.

10. Trade and other payables

As at 31 March	2016 £	2015 £
Trade payables	206,640	785,424
Amounts owed to group undertakings	436,710	353,112
Other creditors	-	24,641
Accruals and deferred income	20,928	64,796
	664,278	1,227,973

Amounts owed to group undertakings comprise normal trading balances on which no interest is charged and are repayable upon demand.

F5. Notes to the financial statements

11. Deferred tax

A deferred tax asset has not been recognised in respect of property, plant and equipment timing differences of £62,083 (2015: £12,681) due to the uncertainty of utilisation.

12. Provisions for liabilities and charges

	Redundancy £	Other restructuring costs £	Total 2016 £	Total 2015 £
At beginning of period	58,807	821,025	879,832	2,181,938
Charged to income statement	-	-	-	-
Released to income statement	-	-	-	(736,097)
Utilised in period	(58,807)	(116,877)	(175,684)	(566,009)
At end of period	-	704,148	704,148	879,832

The redundancy costs are paid in financial year 2015/16 while other restructuring costs will be utilised up to financial year 2022/23 based on existing rent contracts.

13. Operating leases

Future minimum lease payments for the Company at the end of the period are:

As at 31 March	2016		2015	
	Land and buildings £	Vehicles £	Land and buildings £	Vehicles £
Not later than one year	282,940	63,228	282,940	58,718
Later than one year and not later than five years	1,194,477	100,583	1,185,584	120,598
More than five years	413,430	-	705,263	-
	1,890,847	163,811	2,173,787	179,316

14. Pensions and post-retirement benefits

The Company participates in the British Steel Pension Scheme. The British Steel Pension Scheme is a defined benefit multi-employer fund, the assets and liabilities of which are held independently from the group. For the purposes of International Accounting Standard 19 ('Employee Benefits'), there is no contractual agreement or group policy for charging the IAS 19 net defined benefit cost amongst participating members of the BSPS. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at least triennially and updated at each balance sheet date. Particulars of the actuarial assumptions and the accounting under IAS 19 are contained in the accounts of Tata Steel UK Limited. The pension charge for the period was £148,406 (2015: £154,805). The total IAS 19 pension surplus is £1,206m at 31 March 2016 (2015: £144m).

15. Called up share capital

The share capital of the Company is shown below as at 31 March:

	2016 £	2015 £
Allotted, called up and fully paid		
3,700,000 ordinary shares of £1 each	3,700,000	3,700,000

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

16. Related party transactions

The Company's transactions with other businesses within TSE are all with 100% owned subsidiaries. In accordance with the exemption offered by FRS 101 there is no requirement to disclose those transactions in these financial statements.

F5. Notes to the financial statements

17. Ultimate and immediate parent company

Tata Steel UK Limited is the Company's immediate parent company, which is registered in England and Wales. Tata Steel Europe Limited (TSE) and Tata Steel UK Holdings (TSUKH) are intermediate holding companies, registered in England and Wales, with TSUKH the smallest group to consolidate these financial statements.

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

Copies of the Report & Accounts for TSUKH and TSE may be obtained from the Secretary, 30 Millbank, London, SW1P 4WY.

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

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