

Company Registration No. 400080 (England and Wales)

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Annual Report and Financial Statements

For the Year Ended 31 December 2015

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ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

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Directors

R Eshelby
A De Jong
J Dyer
S Ward-Jones

Secretary

K Reading

Company number

400080

Registered office

Fore 2
Huskisson Way
Shirley
Solihull
B90 4SS

Auditors

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Bankers

Barclays Bank plc
Queens Square
Wolverhampton
WV1 1DS

BNP Paribas Bank
10 Harewood Avenue
LONDON

ArcelorMittal Treasury SNC
Immeuble Le Cézanne
6 rue André Campra
F-93212 La Plaine Saint-Denis Cedex

ArcelorMittal Commercial UK Ltd.
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ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Strategic report

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Review of the business

The UK economy continued to grow in 2015 but as forecasted more slowly than in 2014. Demand for steel therefore remained good, if not challenging, but despite this some volatility in prices meant the increased demand was not reflected in margins which remained suppressed.

Continued volatility in Sterling v Euro exchange rates also impacted our steel prices which in turn has kept pressure on our margins. Nevertheless budgeted volume targets were largely met during the year producing a satisfactory result given market conditions.

Principal Risks and Uncertainties

Competitive pressure

Competitive pressure is a continuing risk for the company. To manage this risk the Company strives to provide added value products and services to its customers, prompt response times in the supply of products and services and in handling of customer queries through the maintenance of strong continuing relationships with customers.

Interest Rate Risk

The ArcelorMittal group operates a treasury function and overdrafts are intra group. The Company is exposed to fair value interest rate risk on its borrowing. The company continually manages this risk to reduce the company's exposure in this area.

Liquidity Risk

The company manages its cash and borrowing requirements in order to minimise interest expense whilst ensuring the company has sufficient liquid resources to meet its day to day business and operating needs.

Credit Risk

Customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed regularly and provision is made for doubtful debts where necessary.

Price Risk

The company's business may be affected by fluctuations in the price and supply of steel, although purchasing policies and practices seek to mitigate, where practicable, such risks.

Defined benefit pension obligations

Funding of the Defined Benefit Pension schemes remain a priority with funding levels reviewed on an ongoing basis. The group fully supports such funding requirements.

Environment

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd) recognise the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its activities.

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Strategic report (continued)

Key performance indicators

The company's management use a number of key measures to monitor and manage the performance of the business. The performance of each client's contract is reviewed in terms of turnover and profitability with particular attention to gross profit percentage and comparison to previous performance, budget and targets. The key performance indicators are sales, gross profit, and profit before tax, Full time equivalent (FTE) or staffing levels and especially accident levels. The results are summarised below:

	2015 £	2014 £
Turnover:	£51,723,235	£41,904,370
Steel Sales	£48,838,843	£39,508,629
Commission	£3,093,392	£2,395,741
Gross Profit	£5,660,969	£1,782,649
Pre-tax profit (loss)	£670,485	-£1,348,632
FTE	52	24
No of Accidents	Nil	Nil

Future outlook

There are a number of factors that have influenced the company's performance. Whilst there has been an improvement in demand for our products as the economy has shown signs of recovery, there has also been a trend of weakening of the pound against euro especially since Brexit.

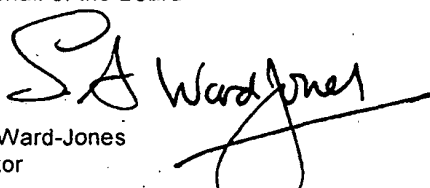
Although we have seen improvement in our prices the lower exchange rate against euro continues to provide concern especially for Group consolidated result.

The challenging economic and commercial environment is expected to continue in the coming year especially in view of the economic slowdown in China.

Health and Safety remains our top priority, as it does for the ArcelorMittal Group. Our stock activities are undertaken with our OHSAS18001 accreditation.

On behalf of the Board

Mr S Ward-Jones
Director


18/11/2016

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2015.

Principal activities and review of the business

The principal activity of the company for the year continued to be acting as service provider for the sale of steel produced by other ArcelorMittal Group companies. As stated in the company's 2014 annual report, effective from 1 October the activities, assets and liabilities of fellow group company ArcelorMittal FCE UK Ltd were transferred to ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd), which is to issue shares to the shareholders of ArcelorMittal FCE UK Ltd in exchange for the value of net assets transferred. In addition to this, the company commenced trading activity as a Buyer/Reseller of Flat Industry products previously this was only in respect of Long Products. ArcelorMittal FCE UK Ltd had acted solely as Agent working on Cost Plus remuneration.

The company changed its name from ArcelorMittal Commercial Long UK Ltd to ArcelorMittal Commercial UK Ltd on 25 July 2015. This name change brought the company's name in line with new branding format introduced by the ArcelorMittal Group for all West European trading companies.

The Directors consider the result for the year to be satisfactory and in line with expectations.

Results and dividends

The results for the year are set out on page 11.

The directors do not recommend the payment of a final dividend for the year ended 31 December 2015 (2014: £nil).

Future developments

The directors anticipate that the Agency segments of the Long Products business will follow Flat Industry products to become Buyer/Reseller in 2017.

Going concern

The directors have considered the financial position and future prospects of the Company. The directors consider that the company has access to sufficient resources to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The following directors have held office since 1 January 2015 and to the date of this report:

R Eshelby

A De Jong

J Dyer (appointed 29 September 2015)

S Ward-Jones (appointed 29 September 2015)

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Directors' report (continued)

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

Disclosure of information to the auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

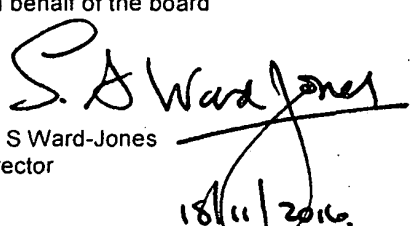
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP were appointed as auditor in the current period.

In accordance with the Company's Articles, a resolution proposing that Deloitte LLP be appointed as auditor of the company will be put at a General Meeting.

On behalf of the board


Mr S Ward-Jones
Director

18/11/2016

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

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), including FRS 101 "Reduced Disclosure Framework". 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; 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.

Independent auditor's report to the members of ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

We have audited the financial statements of ArcelorMittal Commercial UK Ltd for the year ended 31 December 2015 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 24. 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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd) (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, 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.



Peter Gallimore FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

18 November 2016

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Profit and loss account

For the year ended 31 December 2015

	Note	2015 £	(As restated*) 2014 £
Turnover	4	51,723,235	41,904,370
Cost of Sales		(46,062,267)	(40,121,721)
Gross Profit		5,660,968	1,782,649
Administrative Expenses		(4,794,548)	(2,962,731)
Operating profit/(loss)	5	866,420	(1,180,082)
Other interest receivable and similar income	6	36,109	10,535
Interest payable and similar charges	7	(159,044)	(129,085)
Other finance costs	16	(73,000)	(50,000)
Profit/(loss) on ordinary activities before taxation		670,485	(1,348,632)
Tax on profit/(loss) on ordinary activities	8	30,589	(36,540)
Profit/(loss) for the year	18	701,074	(1,385,172)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

*For details of adjustments recorded on transition to FRS 101 refer to note 24.

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Statement of comprehensive income

For the year ended 31 December 2015

		2015	(As restated*) 2014
	Note	£	£
Profit/(loss) for the financial year		701,074	(1,385,172)
Re-measurement gain/(loss) on pension schemes	16	1,070,000	(953,000)
Movement on deferred tax relating to pension asset and liability balances		(192,600)	190,600
Total comprehensive income/(expense) for the year		<u>1,578,474</u>	<u>(2,147,572)</u>

*For details of adjustments recorded on transition to FRS 101 refer to note 24.

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Balance sheet

As at 31 December 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	9		1,711,916		1,102,148
Current assets					
Stock	10	10,972,201		9,196,452	
Debtors:					
- amounts falling due within one year	11	21,830,642		10,870,990	
- amounts falling due after one year	12, 16	1,297,000		-	
Cash at bank and in hand		1,366,900		1,818,590	
		<u>35,466,743</u>		<u>21,886,032</u>	
Creditors: amounts falling due within one year	13	<u>(34,160,619)</u>		<u>(17,501,614)</u>	
Net current assets			<u>1,306,124</u>		<u>4,384,418</u>
Total assets less current liabilities			<u>3,018,040</u>		<u>5,486,566</u>
Creditors: amounts falling due after more than one year	14, 16		<u>(2,893,000)</u>		<u>(6,940,000)</u>
Net assets/(liabilities)			<u><u>125,040</u></u>		<u><u>(1,453,434)</u></u>
Capital and reserves					
Called up share capital	17	1,462,882		1,462,882	
Profit and loss account	18	(1,337,842)		(2,916,316)	
Shareholders' funds/(deficit) - equity interests			<u><u>125,040</u></u>		<u><u>(1,453,434)</u></u>

Approved by the Board and authorised for issue on

18/11/2016

S Ward-Jones
Director

S. A. Ward-Jones

Company Registration No. 400080

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2014 as previously stated	1,462,882	(768,744)	694,138
Changes on transition to FRS 101 (see note 24)	-	-	-
Balance at 1 January 2014 as restated	1,462,882	(768,744)	694,138
Loss for the year	-	(1,385,172)	(1,385,172)
Other comprehensive expense for the year	-	(762,400)	(762,400)
Total comprehensive expense for the year.	-	(2,147,572)	(2,147,572)
Balance at 31 December 2014	1,462,882	(2,916,316)	(1,453,434)
Profit for the period	-	701,074	701,074
Other comprehensive income for the year	-	877,400	877,400
Total comprehensive income for the period	-	1,578,474	1,578,474
Balance at 31 December 2015	1,462,882	(1,337,842)	125,040

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements

For the year ended 31 December 2015

1. General information

ArcelorMittal Commercial UK limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 5 to 6.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The group accounts of ArcelorMittal Flat Carbon Europe S.A. are available to the public and can be obtained as set out in note 24.

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

Adoption of new and revised Standards

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

<p>Amendments to IAS 19 <i>Defined Benefit Plans: Employee Contributions</i></p>	<p>The Company has adopted the amendments to IAS 19 <i>Defined Benefit Plans: Employee Contributions</i> for the first time in the current year. The amendments to IAS 19 clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendments require the Company to account for employee contributions as follows:</p> <ul style="list-style-type: none"> • Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans. • Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the Company recognises the reduction in the service cost in the period in which the related services are rendered. <p>These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or on the amounts recognised in the Company's consolidated financial statements.</p>
<p>Annual Improvements to IFRSs: 2011-2013</p>	<p>The Company has adopted the various amendments to a number of standards. IFRS 3 <i>Business Combinations</i>, IFRS 13 <i>Fair Value Measurement</i> and IAS 40 <i>Investment Property</i>. The majority of the amendments are in the nature of clarifications rather than substantive changes to existing requirements.</p>

ArcelorMittal Commercial UK Ltd **(formerly ArcelorMittal Commercial Long UK Ltd)**

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101 and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements have been prepared in accordance with FRS 101.

The prior year financial statements were assessed for the requirement of any material adjustments on adoption of FRS 101 in the current year. For more information see note 23 below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of ArcelorMittal Flat Carbon Europe S.A. The group accounts of ArcelorMittal Flat Carbon Europe S.A. are available to the public and can be obtained as set out in note 24.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out below.

Going concern

The directors have considered the financial position and future prospects of the Company. The directors consider that the company has access to sufficient resources to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ArcelorMittal Commercial UK Ltd **(formerly ArcelorMittal Commercial Long UK Ltd)**

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Significant accounting policies (continued)

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

The Company also operated three defined benefit contributory pension schemes. The assets of the schemes were held separately to those of the company. Pension schemes' assets were measured using market values. Pension schemes' liabilities were measured by projecting the expected benefit payment using the chosen assumptions and discounted the resulting cash flow back to the review date in accordance with IAS 19 Employee Benefits (Revised 2011).

The pension schemes' deficit was recognised in full. The movement in the scheme deficit was split between operating charges, finance items and other comprehensive income.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

ArcelorMittal Commercial UK Ltd **(formerly ArcelorMittal Commercial Long UK Ltd)**

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Significant accounting policies (continued)

Deferred Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tangible fixed assets

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives as follows:

Rental Assets	write down to net realisable value on acquisition
Computer equipment	25% straight line
Fixtures, fittings & equipment	25% reducing balance/straight-line over the term of the lease remaining for additions relating to Fore 2 Huskisson Way
Plant and machinery	25% straight line

The method of depreciating the rental pool asset is one of depreciating cost less estimated realisable value immediately on acquisition. The directors are of the opinion that this method best represent the use of the assets in the company's trade.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the rendering of services set out in IAS 18 Revenue and, in particular, whether the company has provided and the service and earned right to the agreed remuneration.

Key sources of estimation uncertainty

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

Valuation of pension liabilities

Up to the date of the transfer of its assets and liabilities to ArcelorMittal Commercial UK Limited (formerly ArcelorMittal Commercial Long UK Limited) the company operated three defined benefit pension schemes and the directors were required to set a number of actuarial assumptions in order to perform the valuation of the schemes' liabilities as at year end. Due to the nature of such assumptions and the significant level of sensitivity of the schemes' liabilities to them, the directors, at each reporting date, engaged qualified actuaries to assist with determining these and performing valuation in accordance with IAS 19.

4. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Analysis of Turnover:

	2015 £	2014 £
Sale of goods	48,838,843	39,508,629
Rendering of services	3,039,392	2,395,741
	<u>51,723,235</u>	<u>41,904,370</u>

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

5. Profit/(loss) for the financial year

Profit for the year has been arrived at after charging:

	2015 £	2014 £
Depreciation of tangible assets	126,509	109,937
Loss on disposal of tangible assets	161,240	488,829
Loss on foreign exchange transactions	134,329	88,696
Operating lease rentals		
- Plant and machinery	108,097	93,155
- Other assets	223,736	180,574
Auditors' remuneration		
Fees Payable to the company's auditor for the audit of the company's annual accounts	27,510	23,533
Non audit fee - tax services	3,819	-

In addition to the amount disclosed above audit fees of €55,000 have been settled by the parent company and have not been re-charged.

6. Other interest receivable and similar income

	2015 £	2014 £
Bank interest	36,109	10,535
	36,109	10,535

7. Interest payable and similar charges

	2015 £	2014 £
On amounts payable to group companies	159,044	115,232
On bank loans and overdrafts	-	13,847
Other	-	6
	159,044	129,085

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

8. Taxation

	2015 £	2014 £
Domestic current year tax	-	-
UK corporate tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	91,557	(58,432)
Effect of changes in tax rates	(122,146)	94,972
Total deferred tax	(30,589)	36,540
Total Tax on profit on ordinary activities	(30,589)	36,540
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	670,485	(1,348,632)
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014: 21.50%)	135,773	(289,956)
Effect of:		
Non-deductible expenses	15,661	8,971
Tax losses utilised	(59,877)	-
Tax losses carried forward	-	222,553
Effect of changes in tax rates	(122,146)	94,972
	(166,362)	326,496
Tax charge for the year	(30,589)	36,540

The company has estimated losses of £1,352,631 (2014: £1,648,320) available for carry forward against future trading profits.

The deferred tax charge includes £120,850 (2014: £38,870) in respect of IAS 19 pension cost timing differences. The deferred tax on these pension cost timing differences is netted off against the pension scheme asset or liability.

The Chancellor, in the Summer Budget on 16 March 2016, announced reductions in the main rate of corporation tax for UK companies. The main rate of corporation tax remains at 20% for the financial year commencing 1 April 2016, however there will be a further reduction to 19% with effect from 1 April 2017, and to 17% from 1 April 2020. The deferred tax assets and liabilities at the balance sheet date are calculated taking account of the forecast impact of the reduction of the corporation tax rate from 20%, to the previously substantively enacted rate of 18%.

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

9. Tangible fixed assets

	Rental Assets	Computer equipment	Fixtures, Fittings & equipment	Plant and machinery	Total
	£	£	£	£	£
Cost					
At 1 January 2015	1,110,917	94,680	191,054	42,746	1,439,397
Additions	1,255,773	14,710	81,321	-	1,351,805
Disposals	(691,969)	(52,359)	(19,570)	(39,842)	(803,741)
At 31 December 2015	<u>1,674,721</u>	<u>57,031</u>	<u>252,805</u>	<u>2,904</u>	<u>1,987,460</u>
Depreciation					
At 1 January 2015	151,377	87,763	57,449	40,660	337,249
On disposals	(76,853)	(52,284)	(19,263)	(39,842)	(188,242)
Charge for the year	97,238	3,275	24,494	1,530	126,537
At 31 December 2015	<u>171,762</u>	<u>38,754</u>	<u>62,680</u>	<u>2,348</u>	<u>275,544</u>
Net book value					
At 31 December 2015	<u>1,502,959</u>	<u>18,276</u>	<u>190,126</u>	<u>556</u>	<u>1,711,916</u>
At 31 December 2014	<u>959,540</u>	<u>6,917</u>	<u>133,605</u>	<u>2,086</u>	<u>1,102,148</u>

10. Stocks

	2015	2014
	£	£
Finished goods and goods for resale	<u>10,972,201</u>	<u>9,196,452</u>

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

11. Debtors

	2015 £	2014 £
Amounts due within one year:		
Trade debtors	10,975,515	9,449,260
Amounts owed by parent and fellow subsidiary undertakings	9,666,230	840,863
Other debtors	16,273	7,303
Prepayments and accrued income	654,288	116,564
Deferred tax asset (note 15)	518,336	457,000
	<u>21,830,642</u>	<u>10,870,990</u>

12. Debtors: Amounts due after one year

	2015 £	2014 £
Pension asset (note 16)	1,297,000	-
	<u>1,297,000</u>	<u>-</u>

13. Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	-	1,656,675
Trade creditors	1,030,061	613,718
Amounts owed to parent and fellow subsidiary undertakings	19,895,671	13,953,163
Corporation tax	-	-
Other taxes and social security costs	3,790,711	1,007,452
Other creditors	7,620,628	-
Accruals and deferred income	1,823,248	270,516
	<u>34,160,619</u>	<u>17,501,614</u>

Other creditors includes £7,620,628 due to factor agent in respect of amounts received against factored trade debtors before year end (2014: £Nil).

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

14. Creditors: amounts falling due after one year

Amounts due after one year:

Other loans – Intergroup	-	5,000,000
Pension liability (note 16)	2,893,000	1,940,000
	<u>2,893,000</u>	<u>6,940,000</u>

15. Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the Company and movements thereon during the current and prior reporting period.

	Other timing difference s (note 11) £	Pension asset (note 12) £	Pension liability (note 12) £	Total £
At 1 January 2014	(83,070)	(219,870)	-	(302,940)
Charge to profit or loss	14,070	22,470	-	36,540
Credit to other comprehensive income	-	(190,600)	-	(190,600)
At 1 January 2015	(69,000)	(388,000)	-	(457,000)
Transfer from the fellow group undertaking	(10,617)	(385,770)	173,040	(223,347)
(Credit)/charge to profit or loss	(151,439)	112,990	7,860	(30,589)
Charge to other comprehensive income	-	140,040	52,560	192,600
At 31 December 2015	<u>(231,056)</u>	<u>(520,740)</u>	<u>233,460</u>	<u>(518,336)</u>

16. Retirement benefit schemes

Defined contribution

	2015 £	2014 £
Contributions payable by the company for the year	80,072	83,684
Contributions paid in advance at the year end and included in debtors	-	7,885
Contributions payable to the fund at the year end and included in Creditors	-	4,170

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Defined benefit

First defined benefit scheme

The company operates a funded defined benefit pension scheme however the scheme is a multi-employer scheme. The scheme has two participating employers each of whom are members of the ArcelorMittal Group: ArcelorMittal Commercial UK Limited (formerly ArcelorMittal Commercial Long UK Limited) and ArcelorMittal Distribution Solutions UK Limited. This scheme has been transferred to the company as part of the hive up of ArcelorMittal FCE UK Limited on 30 September 2015. The assets and liabilities of the scheme have been transferred on the basis of IAS 19 valuation as at 31 December 2014.

The method used by the actuary to produce an IAS 19 actuarial valuation is to prepare an updated actuarial valuation based on the actuarial valuation carried out for the trustees of the scheme by Aviva at 1 May 2012. The actuarial valuation has been rolled forward to 31 December 2015 using IAS 19 assumptions. The value of the scheme's assets have been arrived at by adjusting the surrender value of the assets shown in the actuarial valuation at 1 May 2012 in line with returns on market indices over the period from 1 May 2012 to 31 December 2015. The actuary has also estimated the allocation of the Scheme deficit between the employers. The current service cost of the accrual of the benefits is calculated using the projected unit method.

	2015	2014
	%	%
The main financial assumptions by the actuary were:		
Rate of increase in salaries	2.2	2.1
Pension escalation	3.1	3.0
Discount rate	3.7	3.4
Inflation assumption (RPI)	3.1	3.0
Revaluation in deferment	2.1	2.0

Discretionary benefits:	No allowance has been made for discretionary benefits.
Tax free cash:	50% of members are assumed to take one quarter of pension as tax free cash.
Asset value:	Fair value of with-profits fund.
Expenses:	Deducted from the return in assets.
Mortality after retirement:	PCA00 tables with CMI projections, with a long-term rate of improvement of 2.0% pa.

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

The assets of the scheme do not include any investment in the shares of the company. The fair value of the Scheme's assets does not include any property investment that is occupied by the company.

The major categories of assets as a percentage of total assets are:

	2015 %	2014 %
Unitised with profits contract	-	-
Equities	55	57
Gilts and Bonds	37	36
Cash and other	8	7
	<u>100</u>	<u>100</u>

	2015 £	2014 £
Fair value of assets	9,064,000	5,910,000
Present value of funded obligations	(11,567,000)	(7,850,000)
Deficit in the scheme	(2,503,000)	(1,940,000)
Related deferred tax asset (notes 11 and 15)	450,540	388,000
Net pension liability	<u>(2,052,460)</u>	<u>(1,552,000)</u>

Analysis of the amount recognised in the profit and loss over the year

	2015 £	2014 £
Current service cost	239,000	146,000
Interest pension liabilities	393,000	285,000
Interest on pension assets	(294,000)	(235,000)
	<u>338,000</u>	<u>196,000</u>

Analysis of amount recognised in the statement of comprehensive income:

	2015 £	2014 £
Re-measurement gain/(loss)	547,000	(953,000)
Total	<u>547,000</u>	<u>(953,000)</u>

ArcelorMittal Commercial UK Ltd **(formerly ArcelorMittal Commercial Long UK Ltd)**

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Movement in deficit during the year:

	2015 £	2014 £
Deficit in scheme at 1 January	(1,940,000)	(1,047,000)
Transfer from the group undertaking	(1,063,000)	-
Current service cost	(239,000)	(146,000)
Contributions made	291,000	256,000
Other finance costs	(99,000)	(50,000)
Re-measurement gain/(loss)	547,000	(953,000)
Deficit in scheme at 31 December	<u>(2,503,000)</u>	<u>(1,940,000)</u>

Reconciliation of assets and defined benefit obligation:

	2015 £	2014 £
The change in assets over the period was:		
Fair value of assets at the beginning of the period	5,910,000	5,333,000
Transfer from the group undertaking	2,676,000	-
Interest on pension assets	294,000	235,000
Employer contributions	291,000	256,000
Contributions by scheme participants	15,000	32,000
Benefits paid	(94,000)	(59,000)
Re-measurement (loss)/gain	(28,000)	113,000
Fair value of assets at the end of the period	<u>9,064,000</u>	<u>5,910,000</u>

	2015 £	2014 £
The change in defined benefit obligation over the period was:		
Defined benefit obligation at the beginning of the period	7,850,000	6,380,000
Transfer from the group undertaking	3,739,000	-
Current service cost	239,000	146,000
Contributions by scheme participants	15,000	32,000
Interest on pension liabilities	393,000	285,000
Benefits paid	(94,000)	(59,000)
Re-measurement (gain)/loss	(575,000)	1,066,000
Defined benefit obligation at the end of the period	<u>11,567,000</u>	<u>7,850,000</u>

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Second defined benefit scheme

The second defined benefit pension scheme the company operates is that of the Arcelor FCE Commercial UK Limited Pension Scheme (formerly the Steelinter UK Limited Pension Scheme). This scheme has been transferred to the company as part of the hive up of ArcelorMittal FCE UK Limited on 30 September 2015. The assets and liabilities of the scheme have been transferred on the basis of IAS 19 valuation as at 31 December 2014.

The IAS 19 results have been based on the actuarial valuation prepared on 30 June 2012 which has been rolled forward to 31 December 2015 using IAS 19 assumptions.

	2015 %	2014 %
The major assumptions used by the actuary were:		
Discount rate for liabilities	3.7	N/A
Price inflation	3.1	N/A
Rate of increase in salaries	3.1	N/A
Revaluation in deferment	3.1	N/A

Discretionary benefits:	No allowance has been made for discretionary benefits.
Tax free cash:	No allowance has been made for members to take tax free cash.
Asset value:	Surrender value
Expenses:	An allowance is made in the current service cost.
Mortality after retirement:	PNA00 tables with CMI projections with a long-term rate of improvement of 1.5% pa.

The assets of the Scheme do not include any investments in the shares of the company.

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

The major categories of assets as a percentage of total assets are:

	2015	2014
	%	%
Equities	46	-
Property	17	-
Gilts and Bonds	30	-
Cash and other	7	-
	<u>100</u>	<u>-</u>

	2015	2014
	£	£
Value of assets		
Fair value of assets	3,043,000	-
Present value of funded obligations	(3,433,000)	-
	<u>(390,000)</u>	<u>-</u>
Scheme deficit	(390,000)	-
Related deferred tax asset recognised (notes 11 and 15)	70,200	-
	<u>(319,800)</u>	<u>-</u>
Net pension liability	(319,800)	-

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Analysis of the amount recognised in the profit and loss over the year

	2015 £	2014 £
Current service cost	57,000	-
Interest on pension liabilities	118,000	-
Interest on pension assets	(96,000)	-
Total	79,000	-

Analysis of amount recognised in the statement of comprehensive income:

	2015 £	2014 £
The return on plan assets (excluding amounts included in net interest expense)	13,000	-
Re-measurement of net pension liability	218,000	-
Total	231,000	-

Movement in deficit during the year:

	2015 £	2014 £
Deficit in scheme at 1 January	-	-
Transfer from the fellow group undertaking	(774,000)	-
Current service cost	(57,000)	-
Contributions made	232,000	-
Other finance costs	(22,000)	-
Re-measurement gain	231,000	-
Deficit in scheme at 31 December	(390,000)	-

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Reconciliation of assets and defined benefit obligation:

	2015 £	2014 £
The change in assets over the period was:		
Fair value of assets at the beginning of the period	-	-
Transfer from the fellow group undertaking	2,696,000	-
Interest on pension assets	96,000	-
Employer contributions	232,000	-
Contributions by scheme participants	6,000	-
Re-measurement gain	13,000	-
	<u>-</u>	<u>-</u>
Fair value of assets at the end of the period	<u>3,043,000</u>	<u>-</u>

The change in defined benefit obligation over the period was:

	2015 £	2014 £
Defined benefit obligation at the beginning of the period	-	-
Transfer from the fellow group undertaking	3,470,000	-
Current service cost	57,000	-
Contributions by scheme participants	6,000	-
Interest on pension liabilities	118,000	-
Re-measurement gain	(218,000)	-
	<u>3,433,000</u>	<u>-</u>
Defined benefit obligation at the end of the period	<u>3,433,000</u>	<u>-</u>

Third defined benefit scheme

The third defined benefit pension scheme the company operates is that of the ArcelorMittal FCE UK Limited Pension & Assurance Scheme (formally the Sollac UK Limited Scheme). This scheme has been transferred to the company as part of the hive up of ArcelorMittal FCE UK Limited on 30 September 2015. The assets and liabilities of the scheme have been transferred on the basis of IAS 19 valuation as at 31 December 2014.

The IAS 19 results have been based on results of the actuarial valuation by Legal & General as at 1 April 2014 rolled forward to 31 December 2015 by a qualified actuary using IAS 19 assumptions.

	2015 %	2014 %
The major assumptions used by the actuary were:		
Discount rate for liabilities	3.7	N/A
Price inflation	3.1	N/A
Rate of increase in salaries	3.1	N/A
Revaluation in deferment	3.1	N/A

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Discretionary benefits:	No allowance has been made for discretionary benefits.
Tax free cash:	No allowance has been made for members to take tax free cash.
Asset value:	Bid value plus the balance held in the Scheme's bank account.
Expenses:	Expected rate of return assumed to be net of investment manager expenses.
Mortality after retirement:	SAPS (S1NA) mortality tables and CMI 2013 projections with a long term rate of improvement of 1.5% pa for males and 1% pa for females.

The assets do not include any investments in the shares of the company. The assets do not include any property investment that is occupied by the company.

The major categories of assets as a percentage of total assets are:

	2015 %	2014 %
Gilts and bonds	100	-
	<u>100</u>	<u>-</u>

	2015 £	2014 £
Value of assets		
Fair value of assets	7,041,000	-
Asset not recognised due to limit on recognisable surplus	(1,081,000)	-
Present value of funded obligations	(4,663,000)	-
	<u>1,297,000</u>	<u>-</u>
Scheme surplus	1,297,000	-
Related deferred tax liability recognised (notes 11 and 15)	(233,460)	-
	<u>1,063,540</u>	<u>-</u>
Net pension asset		

Analysis of the amount recognised in the profit and loss over the year

	2015 £	2014 £
Current service cost	76,000	-
Interest on pension liabilities	204,000	-
Interest on pension assets	(252,000)	-
	<u>28,000</u>	<u>-</u>
Total		

Analysis of amount recognised in the statement of comprehensive income:

	2015 £	2014 £
The return on plan assets (excluding amounts included in net interest expense)	(250,000)	-
Re-measurement of net pension asset	1,147,000	-
Effect of limit on recognisable surplus	(605,000)	-
	<u>292,000</u>	<u>-</u>
Total		

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Movement in surplus during the year:

	2015 £	2014 £
Surplus in scheme at 1 January	-	-
Transfer from the fellow group undertaking	842,000	-
Current service cost	(76,000)	-
Other finance income	48,000	-
Re-measurement gain	292,000	-
Contributions made	191,000	-
Surplus in scheme at 31 December	<u>1,297,000</u>	<u>-</u>

	2015 £	2014 £
Reconciliation of assets and defined benefit obligation:		
The change in assets over the period was:		
Fair value of assets at the beginning of the period	-	-
Transfer from the fellow group undertaking	7,774,000	-
Interest on pension assets	252,000	-
Employer contributions	191,000	-
Contributions by scheme participants	9,000	-
Benefits paid	(935,000)	-
Re-measurement loss	(250,000)	-
Fair value of assets at the end of the period	<u>7,041,000</u>	<u>-</u>
Asset not recognised due to limit on recognisable surplus	<u>(1,081,000)</u>	<u>-</u>
	<u>5,960,000</u>	<u>-</u>

	2015 £	2014 £
The change in defined benefit obligation over the period was:		
Defined benefit obligation at the beginning of the period	-	-
Transfer from the fellow group undertaking	6,456,000	-
Current service cost	76,000	-
Contributions by scheme participants	9,000	-
Interest cost on pension liabilities	204,000	-
Benefits paid	(935,000)	-
Re-measurement gain	(1,147,000)	-
Defined benefit obligation at the end of the period	<u>4,663,000</u>	<u>-</u>

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Summary of movement in surplus (deficits)

	TradeArbed UK Ltd Scheme £	Steelinter UK Ltd Scheme £	Sollac UK Ltd Scheme £	Total £
(Deficit)/surplus in scheme at 1 January 2015	(1,940,000)	-	-	(1,940,000)
Transfer from the fellow group undertaking	(1,063,000)	(774,000)	842,000	(995,000)
Current service cost	(239,000)	(57,000)	(76,000)	(372,000)
Other finance (costs)/income	(99,000)	(22,000)	48,000	(73,000)
Re-measurement gain	547,000	231,000	292,000	1,070,000
Contributions made	291,000	232,000	191,000	714,000
(Deficit)/surplus in scheme at 31 December 2015	(2,503,000)	(390,000)	1,297,000	(1,596,000)
Related deferred tax recognised (notes 11 and 15)	450,540	70,200	(233,460)	287,280
Net pension (liability)/asset	(2,052,460)	(319,800)	1,063,540	(1,308,720)
Deficit in scheme at 1 January 2014	(1,047,000)	-	-	(1,047,000)
Current service cost	(146,000)	-	-	(146,000)
Other finance costs	(50,000)	-	-	(50,000)
Re-measurement loss	(953,000)	-	-	(953,000)
Contributions made	256,000	-	-	256,000
Deficit in scheme at 31 December 2014	(1,940,000)	-	-	(1,940,000)
Related deferred tax recognised (notes 11 and 15)	388,000	-	-	388,000
Net pension liability	(1,552,000)	-	-	(1,552,000)

Combined scheme five year summary

	2015 £	2014 £
Fair value of scheme assets	19,148,000	5,910,000
Limit on recognisable surplus	(1,081,000)	-
Present value of scheme liabilities	(19,663,000)	(7,850,000)
Surplus deficit	(1,596,000)	(1,940,000)
Related deferred tax asset recognised (notes 11 and 15)	287,280	388,000
	(1,308,720)	(1,552,000)

ArcelorMittal Commercial UK Ltd **(formerly ArcelorMittal Commercial Long UK Ltd)**

Notes to the financial statements (continued)

For the year ended 31 December 2015

16. Retirement benefit schemes (continued)

Contributions made are inclusive of the following deficit reduction contributions:

	2015 £	2014 £
TradeArbed UK Limited Scheme	189,000	140,864
Steelinter UK Limited Scheme	173,000	-
Sollac UK Limited Scheme	136,000	-
	<u>498,000</u>	<u>140,864</u>

The employer expects to contribute the following amounts to the Scheme's during the year to 31 December 2015:

	2015 £	2014 £
TradeArbed UK Limited Scheme	331,000	298,000
Steelinter UK Limited Scheme	230,000	-
Sollac UK Limited Scheme	78,000	-
	<u>639,000</u>	<u>-</u>

17. Called up share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,462,882 Ordinary of £1 each	<u>1,462,882</u>	<u>1,462,882</u>

Following the year end the company issued an additional 750,000 £1 ordinary shares to ArcelorMittal Flat Carbon Europe SA in settlement of the net assets transferred from ArcelorMittal FCE UK Ltd on 30 September 2015. The 750,000 shares were issued at par on 11 March 2016.

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

18. Profit and loss account

	£
Balance at 1 January 2014	(768,744)
Loss for the year	(1,385,172)
Other comprehensive expense for the year	(762,400)
	<hr/>
Balance at 1 January 2015	(2,916,316)
Profit for the year	701,074
Other comprehensive income for the year	877,400
	<hr/>
Balance at 31 December 2015	<u>(1,337,842)</u>

19. Financial commitments

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Operating leases with expire:				
Within one year	-	76,000	10,116	16,318
Between two and five years	-	-	68,118	46,980
In over five years	1,146,991	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,146,991</u>	<u>-</u>	<u>78,234</u>	<u>63,298</u>

Included within commitments for land and buildings are the rentals for the company offices in Solihull.

20. Capital commitments

There were no capital commitments at 31 December 2015 (2014: £ Nil).

ArcelorMittal Commercial UK Ltd (formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

21. Related party transactions

Trading transactions

The company has taken advantage of the exemption available in FRS 101 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

The directors' remuneration, analysed under the headings required by Company law is set out below.

	2015 £	2014 £
Directors' remuneration		
Emoluments	292,532	352,372
Company contributions to defined benefit schemes	63,696	46,436
	<u>356,228</u>	<u>398,808</u>

	2015 Number	2014 Number
The number of directors who:		
Are members of a defined benefit pension scheme	2	2
Are members of a money purchase pension scheme	-	-
	<u>-</u>	<u>-</u>

	£	£
Remuneration of the highest paid director:		
Emoluments	138,390	145,259
Company contributions to money purchase schemes	-	-
	<u>-</u>	<u>-</u>

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £79,216 pa under the scheme at the end of the year. There is no accrued lump sum.

ArcelorMittal Commercial UK Ltd
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Notes to the financial statements (continued)

For the year ended 31 December 2015

22. Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number 39	2014 Number 24
	<hr/>	<hr/>
Employment costs		
	2015 £	2014 £
Wages and salaries	2,243,576	1,233,379
Social security costs	237,234	158,680
Other pension costs	94,143	170,847
	<hr/>	<hr/>
	2,574,953	1,562,906
	<hr/>	<hr/>

23. Control

The company's ultimate parent undertaking and controlling party is ArcelorMittal S.A. The parent undertaking of the smallest group of which the company is a member is ArcelorMittal Commercial RPS SARL.

24. Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014.

Reconciliation of equity

Note	At 1 January 2014 £	At 31 December 2014 £
Equity reported under previous UK GAAP	1,101,209	632,585
	<hr/>	<hr/>
Adjustments to equity on transition to FRS 101		
No adjustments required	-	-
	<hr/>	<hr/>
Equity reported under FRS 101	1,101,209	632,585
	<hr/>	<hr/>

ArcelorMittal Commercial UK Ltd
(formerly ArcelorMittal Commercial Long UK Ltd)

Notes to the financial statements (continued)

For the year ended 31 December 2015

24. Explanation of transition to FRS 101 (continued)

Reconciliation of profit and loss account for the year ended 31 December 2014

Note	£
Loss for the financial year under previous UK GAAP	(1,319,572)
1 Pension accounting difference on transition to FRS 101	(82,000)
2 Tax effect on the above adjustment	16,400
Loss for the financial year under FRS 101	(1,385,172)

Notes to the reconciliation of profit and loss account for 2014

- Adjustment represents the difference in accounting for the interest income on the pension scheme's assets between FRS 17 and FRS 101.
- Adjustment represents deferred tax effect on adjustment 1 above.

Reconciliation of other comprehensive income for the year ended 31 December 2014

Note	£
Comprehensive loss for the financial year under previous UK GAAP	(828,000)
1 Pension accounting difference on transition to FRS 101	82,000
2 Deferred tax effect on the above adjustment	(16,400)
Comprehensive loss for the financial year under FRS 101	(762,400)

Notes to the reconciliation of other comprehensive income for 2014

- Adjustment represents the difference in accounting for the interest income on the pension scheme's assets between FRS 17 and FRS 101.
- Adjustment represents deferred tax effect on adjustment 1 above.