Company Registration No. 00400080 (England and Wales)

ArcelorMittal Commercial UK Ltd
Annual Report and Financial Statements

For the Year Ended 31 December 2018

ArcelorMittal Commercial UK Ltd

Directors	R Eshelby A De Jong J Dyer S Ward-Jones
Company Secretary	K Reading
Company number	00400080
Registered office	Fore 2 3rd Floor Huskisson Way Shirley Solihull West Midlands B90 4SS England
Auditor	Deloitte LLP Statutory Auditor Four Brindleyplace Birmingham B1 2HZ United Kingdom
Bankers	Barclays Bank plc Queens Square Wolverhampton WV1 1DS BNP Paribas Bank 10 Harewood Avenue London NW1 6AA Credit Agricole 12 Place des Etats-Unis CS 70052 92547 Montrouge Cedex France ArcelorMittal Treasury SNC Immeuble Le Cézanne 6 rue André Campra F-93212 La Plaine Saint-Denis Cedex France

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Strategic report

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Review of the business

Political inertia over Brexit led to downgraded economic growth, high currency volatility and an increasingly negative outlook. Business confidence fell to a low ebb towards the end of the year and customers were necessarily risk averse in all decision making.

Nevertheless, overall the UK economy improved during 2018 resulting in the business achieving an increase in market share and volume.

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 recognise the importance of its environmental responsibilities, carefully considers its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its activities.

Strategic report (continued)

Key Performance Indicators (KPI)

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:

	2018 £	2017 £
Turnover:	555,442,118	431,410,752
Steel Sales	550,623,220	425,858,660
Services	4,818,898	5,552,092
Gross Profit	15,472,629	13,242,765
Pre-tax profit	2,237,058	2,588,338
	2018 Number	**2017 Number**
FTE – number of employees	53	55
No of Accidents	Nil	Nil

In 2015 the company began to change its business model from that of primarily an Agency providing a Service to its Parent and other Group companies to that of Buyer/Reseller invoicing customers directly. Sales and General Administration costs nevertheless remain remunerated on a cost-plus basis

This change had already been rolled out for all Flat industry customers but for Long Products this has continued to be rolled out during the year and continues into 2019, during which Bars and Rods business is expected to move to the same model.

Consequently, during this continuing transition period it is difficult to analyse KPI quantitatively due to the significant changes taking place in the company's business model, hence we continue to make no analysis other than to draw attention to the KPI's monitored. Once the change in business model is completed, now expected by the end of 2019, the Company will make further comment on its KPI performance.

Concerning the KPI monitored, although Company has had some changes in personnel the net movement shows no net change. The Group continue to focus on reduction of costs and with this aim in mind have strictly controlled staff numbers only replacing where key resources are required.

Health and safety remains one of the Group's key issues. The company carry out quarterly internal health and Safety reviews and focus on the wellbeing of its staff. The company is pleased that following its actions there are no accidents to report. Figures concerning Accidents and lost time frequency due to accidents are regularly reviewed and scrutinized by the Directors of the company. These figures are circulated to all staff members.

Strategic report (continued)

Future Outlook

Irrespective of the Brexit outcome the company aims to defend and promote the value and opportunity of the UK market. Focus will be placed on product pricing to allow for volume capture especially continued emphasis on high added value products and to offer new alternative developments.

The company has strongly developed its e-business offering and will continue development of these to bring new business opportunities and initiatives to the market. This development is seen as an important tool to increase future contribution.

The challenging economic and commercial environment is expected to continue, especially, the impact of Brexit which remains to be resolved. The company will maintain contingency plans to recognise opportunities derived from anticipated market changes.

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

Approved by the Board of directors and signed on behalf of the board

S Ward-Jones
Director

3 October 2019

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2018. For additional information please also refer to the Strategic Report on page 3.

Principal activities and review of the business

The principal activity of the company for the year was acting as Buyer/Reseller of Flat and Long Steel Products of the ArcelorMittal Group. In addition, the company also continued to act as a service provider for the sale of steel produced by other ArcelorMittal Group 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 have recommended payment of a final dividend for the year ended 31 December 2018 of £2,000,000 which is not yet paid (2017: £nil).

Future developments

The directors confirm that the Agency segments of the Long Products business have followed Flat Industry products to become Buyer/Reseller in 2018. The Sheet Piling business moved to Buyer/Reseller status from January 2018 and Bars and Rods are expected to move during 2019.

Financial Instruments

The company has no Financial Instruments in place. Exchange differences arise as a result of weekly revaluation of Intercompany treasury accounts through which Group purchase invoices are predominantly settled. Any hedging requirement is managed by the Parent company.

Other

The Company has no R&D activity, have made no Political contributions and there are no Directors Indemnities.

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 of 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 2018 and to the date of this report:

R Eshelby
A De Jong
J Dyer
S Ward-Jones

Creditor payment policy

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

The Modern Slavery Act 2015

Respect for human rights is fundamental to the culture of integrity we want for ArcelorMittal. It is integral to our approach to sustainable development, and governs how we behave towards our employees, contractors, suppliers, and the communities in which we work.

In January 2018, we updated our human rights policy to make our commitment to oppose the use of forced or compulsory labour, human trafficking and all forms of modern slavery (both within our own operations and in our supply chain) even more explicit and to publicly report on what we are doing to prevent it on a yearly basis.

For more information please see our Modern Slavery Act statement online;
http://corporate.arcelormittal.com/~/media/Files/A/ArcelorMittal/sdr2016/Statement-UK-Modern-Slavery-Act.pdf

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.

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.

Approved by the Board of directors and signed on behalf of the board by

S.A Ward-Jones

S Ward-Jones
Director
03 October 2019

ArcelorMittal Commercial 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 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.

Independent auditor's report to the members of ArcelorMittal Commercial UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ArcelorMittal Commercial UK Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ArcelorMittal Commercial UK Ltd (the 'company') 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 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of ArcelorMittal Commercial UK Ltd

Responsibilities of directors
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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the 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 or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report
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.

PG

Peter Gallimore, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
3 October 2019

ArcelorMittal Commercial UK Ltd

Profit and loss account

For the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	555,442,118	431,410,752
Cost of sales		(539,969,489)	(418,167,987)
Gross profit		15,472,629	13,242,765
Administrative expenses		(13,024,325)	(9,136,011)
Operating profit	5	2,448,304	4,106,754
Other interest receivable and similar income	6	45,197	84,110
Interest payable and similar charges	7	(198,175)	(193,748)
Other finance cost	8	(58,268)	(1,408,778)
Profit before taxation		2,237,058	2,588,338
Tax charge on profit	9	(484,667)	(379,530)
Profit for the financial year attributable to owners of the company	19	1,752,391	2,208,808

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

ArcelorMittal Commercial UK Ltd

Statement of comprehensive income

For the year ended 31 December 2018

	Note	2018 £	2017 £
Profit for the financial year		1,752,391	2,208,808
Re-measurement gain on pension schemes	17	690,000	3,855,000
Movement on deferred tax relating to pension asset and liability balances	16	(124,200)	(693,900)
Total other comprehensive Income		565,800	3,161,100
Total comprehensive income for the year attributable to the owners of the company		2,318,191	5,369,908

ArcelorMittal Commercial UK Ltd

Balance sheet

As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	745,150	1,308,207
Debtors: amounts falling due after one year	11	2,522,207	2,721,870
		3,267,357	4,030,077
Current assets			
Stock	12	21,019,291	9,640,880
Debtors: amounts falling due within one year	13	134,438,560	115,866,360
Cash at bank and in hand		18,412	14,155
		155,476,263	125,521,395
Creditors: amounts falling due within one year	14	(147,891,336)	(120,605,379)
Net current assets		7,584,927	4,916,016
Total assets less current liabilities		10,852,284	8,946,093
Creditors: amounts falling due after more than one year	15, 17	(3,655,000)	(4,067,000)
Net assets		7,197,284	4,879,093
Capital and reserves			
Called up share capital	18	2,212,882	2,212,882
Profit and loss account	19	4,984,402	2,666,211
		7,197,284	4,879,093

Approved by the Board and authorised for issue on 3rd October 2019. They were signed on its behalf by:

S Ward-Jones
Director

S A Ward-Jones

Company Registration No. 00400080

ArcelorMittal Commercial UK Ltd
Statement of changes in equity

For the year ended 31 December 2018

	Note	Called up share capital £	Profit and loss account £	Total £
Balance at 1 January 2017	**18**	**2,212,882**	**(2,703,697)**	**(490,815)**
Issue of share capital		-	-	-
Profit for the year		-	2,208,808	2,208,808
Other comprehensive profit for the year		-	3,161,100	3,161,100
Total comprehensive income for the year		**-**	**5,369,908**	**5,369,908**
Balance at 31 December 2017		**2,212,882**	**2,666,211**	**4,879,093**
Profit for the year		-	1,752,391	1,752,391
Other comprehensive income for the year		-	565,800	565,800
Total comprehensive income for the year		**-**	**2,318,191**	**2,318,191**
Balance at 31 December 2018	**18**	**2,212,882**	**4,984,402**	**7,197,284**

Notes to the financial statements

For the year ended 31 December 2018

1. General information

ArcelorMittal Commercial UK Ltd (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 6 to 7.

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. Details of the Company's ultimate parent undertaking is 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.

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 IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IAS 40 (amendments)Transfers of Investment Property	The Company has adopted the amendments to IAS 40 Investment Property for the first time in the current year. The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that the situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).
Annual Improvements to IFRS Standards 2014 - 2016 Cycle Amendments to IAS 28 Investments in Associates and Joint Ventures	The Company has adopted the amendments to IAS 28 included in the Annual Improvements to IFRS Standards 2014–2016 Cycle for the first time in the current year. The amendments clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition. In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue). The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

Adoption of new and revised Standards (continued)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods, except as noted below:

- IFRS 16 may have impact on the reported assets, liabilities and income statement. Furthermore, extensive disclosures will be required by IFRS 16.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 does not have any impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost; and,
- Trade debtors and contract assets.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade debtors and contract assets in certain circumstances.

Impact of initial application of IFRS 9 Financial Instruments (continued)
(b) Impairment of financial assets (continued)

The directors of the Company reviewed and assessed the Company's existing financial assets and determined that the adoption of IFRS 9 did not have an impact on the recognition of credit losses and, therefore, no restatement to the prior year comparatives have been made.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.
The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

(d) General hedge accounting

The company does not have any hedging arrangements falling within the scope of IFRS 9 and therefore the application of IFRS 9 has had no impact.

Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. More prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

The Company's accounting policies for its revenue streams are disclosed in detail below. The application of IFRS 15 has not resulted in any changes to the timing or value of revenue recognised in the comparative period and therefore no restatement has been made.

The financial statements have been prepared on the historical basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below:

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. These financial statements have been prepared in accordance with FRS 101.

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.

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 or services, at the date of the transaction.

2. Significant accounting policies (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.
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 of 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

The Company's revenue is derived from the single performance obligation to transfer steel products under arrangements in which the transfer of the control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of the goods is recognised when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company's steel producing operations, generally the criteria to recognise revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Additionally, the Company identifies when goods have left its premises, not when the customer receives the goods. Therefore, the Company estimates, based on its historical experience, the amount of goods in-transit when the transfer of control occurs at the destination and defers the revenue recognition.

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.

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).

2. *Significant accounting policies (continued)*
Foreign currencies (continued)

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.

Financial costs

Interest received is accrued on a time basis by reference to the principal outstanding and the effective interest applicable

Interest expense is expensed as incurred. Interest expense relates solely to Group Treasury recharge of the costs of financing the Company

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.

2. *Significant accounting policies (continued)*

Deferred tax (continued)

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.

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.

Stock

Stocks are stated at the lower of cost and net realisable value. Stocks consist of Sheet Piling, Merchant Bars and Wire Rod which are held in a number of locations. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Stock values are regularly reviewed.

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.

2. *Significant accounting policies (continued)*
Tangible fixed assets (continued)

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 scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

2. ***Significant accounting policies (continued)***
Classification of financial assets (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'interest receivable and similar income' line item.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime ECL for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

2. *Significant accounting policies (continued)*
Impairment of financial assets (continued)

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;

2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. *Significant accounting policies (continued)*
Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

2. *Significant accounting policies (continued)*

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Debt instruments are classified as either financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not held-for-trading are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in note 24.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2. *Significant accounting policies (continued)*

Derivative financial instruments (continued)

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a current asset due after one year or a creditor due after more than one year if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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 IFRS 15 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

The company operates 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 (as disclosed in note 17), 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:	2018	2017
	£	£
Sale of goods	550,623,220	425,858,660
Rendering of services	4,818,898	5,552,092
	555,442,118	**431,410,752**

5. Operating Profit for the year

Operating Profit for the year has been arrived at after charging/(crediting):	2018	2017
	£	£
Depreciation of tangible assets	65,577	265,613
Loss on disposal of tangible assets	575,511	174,143
Cost of inventories recognised as an expense	538,060,559	416,743,969
Loss/(profit) on foreign exchange transactions	592,507	(330,887)
Operating lease rentals		
- Plant and machinery	205,801	195,849
- Other assets	173,051	176,836
Auditor's remuneration		
Fees Payable to the company's auditor for the audit of the company's financial statements	75,000	75,000
Non-audit fee - tax compliance services	14,030	13,754

6. Other interest receivable and similar income

	2018	2017
	£	£
Bank interest	45,197	82,422
Other income	-	1,688
	45,197	**84,110**

7. Interest payable and similar charges

	2018	2017
	£	£
On amounts payable to group companies	193,724	192,734
Other	4,371	1,014
	198,095	**193,748**

8. Other Finance Cost

	2018	2017
	£	£
Foreign currency exchange revaluation loss	(6,348)	(1,276,778)
Other Finance costs	(52,000)	(132,000)
	(58,348)	**(1,408,778)**

Significant currency fluctuations were incurred due to exchange rate movements during the year.

9. Taxation

	2018	2017
	£	£
UK corporate tax	608,207	492,686
Prior Year Adjustment	(30,003)	(120,430)
Total current tax	578,204	372,256
Deferred tax		
Origination and reversal of timing differences	(93,537)	7,274
Total deferred tax	(93,537)	7,274
Total Tax on profit on ordinary activities	**484,667**	**379,530**

Factors affecting the tax charge for the year

	2018	2017
Profit on ordinary activities before taxation	2,237,058	2,588,338
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2017: 20%)	425,041	517,667
Effect of:		
Non-deductible expenses	26,506	23,423
Other	63,123	(41,130)
Effect of changes in tax rates	-	-
Prior Year Adjustment	(30,003)	(120,430)
	59,626	(138,137)
Tax charge for the year	**484,667**	**379,530**

The company has estimated losses of £Nil (2017: £Nil) available for carry forward against future trading profits.

The deferred tax charge includes £43,740 (2017: £735,660) 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 Finance Act 2019 received Royal Assent on 12 February 2019. The main rate of corporation tax remains at 19% for the financial years commencing 1 April 2017, 1 April 2018 and 1 April 2019. The rate is reduced from 1 April 2020 to 17%. The deferred tax assets and liabilities at the balance sheet date are calculated taking these rates into account.

10. Tangible fixed assets

	Rental Assets	Computer equipment	Fixtures, Fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2018	1,346,569	54,223	252,933	1,653,725
Additions	201,341	-	2,597	203,938
Disposals	(789,168)	-	-	(789,168)
At 31 December 2018	758,742	54,223	255,530	1,068,495
Depreciation				
At 1 January 2018	183,805	53,011	108,702	345,518
On disposals	(87,750)	-	-	(87,750)
Charge for the year	23,011	1,212	41,354	65,577
At 31 December 2018	119,066	54,223	150,056	323,345
Net book value				
At 31 December 2018	**639,676**	**-**	**105,474**	**745,150**
At 31 December 2017	**1,162,764**	**1,212**	**144,231**	**1,308,207**

11. Debtors: Amounts due after one year

	2018	2017
	£	£
Deferred tax asset (note 16)	351,207	381,870
Pension asset (note 17)	2,171,000	2,340,000
	2,522,207	**2,721,870**

12. Stock

	2018	2017
	£	£
Finished goods and goods for resale	21,019,291	9,640,880

13. Debtors

	2018 £	2017 £
Amounts due within one year:		
Trade debtors	40,895,429	36,962,264
Amounts owed by parent	-	721,281
Amounts owed by fellow subsidiary undertakings	92,708,034	78,028,355
Prepayments and accrued income	205,887	148,413
Other debtors	337,181	6,047
Derivative financial instruments (Note 24)	292,029	-
	134,438,560	**115,866,360**

All Group balances are unsecured and on normal open credit terms. There were no bad debts during the year. No interest is payable on amounts due from the Group.

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,305,923	3,582,502
Amounts owed to parent	2,610,023	3,883,338
Amounts owed to fellow subsidiary undertakings	51,805,579	48,370,585
Corporation tax	608,207	354,004
Other taxes and social security costs	15,485,740	9,642,287
Other creditors	47,226,906	40,638,810
Accruals and deferred income	28,848,958	13,600,807
Derivative financial instruments (Note 24)	-	533,046
	147,891,336	**120,605,379**

All Group balances payable are unsecured and on normal open credit terms. No interest is payable on amounts due to the Group.

Other creditors include £47,208,893 due to factor agent in respect of amounts received against factored trade debtors before year end (2017: £40,620,760).

15. Creditors: amounts falling due after one year

	2018 £	2017 £
Amounts due after one year:		
Pension liability (note 17)	3,655,000	4,067,000
	3,655,000	**4,067,000**

16. 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 differences (Note 11) £	Pension liability (Note 15) £	Pension asset (Note 13) £	Total £
At 1 January 2017	(36,524)	(1,207,260)	160,740	(1,083,044)
Transfer from the fellow group undertaking	-	-	-	-
(Credit)/charge to profit or loss	(34,486)	28,800	12,960	7,274
Charge to other comprehensive income	-	446,400	247,500	693,900
At 31 December 2017	(71,010)	(732,060)	421,200	(381,870)
Transfer from the fellow group undertaking				
Credit to profit or loss	(13,077)	(78,120)	(2,340)	(93,537)
Charge to other comprehensive income	-	152,280	(28,080)	124,200
At 31 December 2018	(84,087)	(657,900)	390,780	(351,207)

The Company is partly remunerated on a Cost-Plus basis by its parent Company against its Sales and General Administration costs. These costs are re-invoiced plus an agreed margin. This margin is guaranteed and backed by a Service contract with the Parent company thereby ensuring the Company will have taxable profits enough to allow the recovery of the recognised Deferred tax assets

17. Retirement benefit schemes

Defined contribution

	2018 £	2017 £
Contributions payable by the company for the year	129,944	157,841

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.

17. Retirement benefit schemes (continued)

Defined benefit

Trade Arbed Pension Scheme

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 2018. The actuarial valuation has been rolled forward to 31 December 2018 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 2018 in line with returns on market indices over the period from 1 May 2018 to 31 December 2018. 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.

	2018	**2017**
	%	**%**
The main financial assumptions by the actuary were:		
Rate of increase in salaries	3.2	2.8
Pension escalation	3.2	3.1
Discount rate	2.9	2.6
Inflation assumption (RPI)	3.2	3.1
Revaluation in deferment	3.1	3.1

Discretionary benefits:	No allowance has been made for discretionary benefits.
Tax free cash:	90% 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:	SAPS S2 Tables with improvements in line with CMI 2017 projections with a smoothing factor of 7.5 and a 1.25% p.a. long term trend rate.

Sensitivity Analysis

Adjustment to Assumptions:	**Plus 1%**	**Minus 1%**
Discount Rate	(£2,183,000)	£3,431,000
Inflation	£2,940,000	(£2,066,000)
Salary Increase	£549,000	(£518,000)
Life Expectancy (+/- 1 year)	£789,000	(£224,000)

17. 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:

	2018	2017
	%	%
Equities	41	44
Gilts and Bonds	33	32
Cash and other	26	24
	100	100

The investments are selected in order to spread any risk to the company as far as possible and are approved by the Trustees. The type of investment is matched with the maturity profile of the scheme members in order to have liquid funds available as required. There is no focus on any specific class of asset the funds are considered to be spread evenly based on professional Investment advice received.

	2018	2017
	£	£
Fair value of assets	11,861,000	11,129,000
Present value of funded obligations	(15,516,000)	(14,907,000)
Deficit in the scheme	(3,655,000)	(3,778,000)
Related deferred tax asset (notes 11 and 16)	657,900	680,040
Net pension liability	(2,997,100)	(3,097,960)

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

	2018	2017
	£	£
Current service cost	213,000	238,000
Interest pension liabilities	434,000	424,000
Interest on pension assets	(325,000)	(273,000)
	322,000	389,000

Analysis of amount recognised in the statement of comprehensive income:

	2018	2017
	£	£
Re-measurement gain	846,000	2,117,000
Total	846,000	2,117,000

17. Retirement benefit schemes (continued)

Movement in deficit during the year:

	2018 £	2017 £
Deficit in scheme at 1 January	(3,778,000)	(5,848,000)
Transfer from group undertaking	(449,000)	-
Current service cost	(213,000)	(238,000)
Past service cost	(240,000)	-
Contributions made	323,000	342,000
Other finance costs	(109,000)	(151,000)
Re-measurement gain	846,000	2,117,000
Administration Costs	(35,000)	-
Deficit in scheme at 31 December	(3,655,000)	(3,778,000)

Reconciliation of assets and defined benefit obligation:

	2018 £	2017 £
The change in assets over the year was:		
Fair value of assets at the beginning of the year	11,129,000	10,380,000
Transfer from group undertaking	1,398,000	-
Interest on pension assets	325,000	273,000
Employer contributions	323,000	342,000
Contributions by scheme participants	28,000	29,000
Benefits paid	(384,000)	(96,000)
Administration costs	(35,000)	-
Re-measurement (loss)/gain	(923,000)	201,000
Fair value of assets at the end of the year	11,861,000	11,129,000

	2018 £	2017 £
The change in defined benefit obligation over the year was:		
Defined benefit obligation at the beginning of the year	14,907,000	16,228,000
Transfer from the group undertaking	1,847,000	-
Current service cost	213,000	238,000
Past service cost	240,000	-
Contributions by scheme participants	28,000	29,000
Interest on pension liabilities	434,000	424,000
Benefits paid	(384,000)	(96,000)
Re-measurement gain	(1,769,000)	(1,916,000)
Defined benefit obligation at the end of the year	15,516,000	14,907,000

17. Retirement benefit schemes (continued)

ArcelorMittal Commercial UK Ltd Pension Scheme

The IAS 19 results have been based on the actuarial valuation prepared on 30 June 2015 which has been rolled forward to 31 December 2018 using IAS 19 assumptions.

	2018	2017
	%	%
The major assumptions used by the actuary were:		
Discount rate for liabilities	2.9	2.6
Price inflation	3.2	3.1
Rate of increase in salaries	3.2	3.1
Revaluation in deferment	3.1	3.1

Discretionary benefits:	No allowance has been made for discretionary benefits.
Tax free cash:	90% of members are assumed to take a tax free lump-sum in cash
Asset value:	Surrender value
Expenses:	An allowance is made in the current service cost.
Mortality after retirement:	SAPS S2 tables with improvements in line with CMI 2017 projections with a smoothing factor of 7.5 and a 1.25% p.a. long term trend rate.

Sensitivity Analysis

Adjustment to Assumptions:	**Plus 1%**	**Minus 1%**
Discount Rate	(£540,000)	£710,000
Inflation	£168,000	(£177,000)
Salary increase	£0	£0
Life Expectancy (+/- 1 year)	£119,000	(£115,000)

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

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

	2018	2017
	%	%
Equities	44	50
Property	16	14
Gilts and Bonds	30	27
Cash and other	10	9
	100	100

The investments are selected in order to spread any risk to the company as far as possible and are approved by the Trustees. The investments comprise of Prudential Managed fund Units and accordingly risk is spread widely within the fund. There is no focus on any specific class of asset, the funds are considered to be spread evenly based on the professional fund Manager's decisions. The investments are matched to the maturity profile of the scheme.

17. Retirement benefit schemes (continued)

Value of assets	2018 £	2017 £
Fair value of assets	3,563,000	3,310,000
Present value of funded obligations	(3,493,000)	(3,599,000)
Scheme Surplus/(deficit)	70,000	(289,000)
Related deferred tax (Liability) / asset recognised (notes 11 and 16)	(12,600)	52,020
Net pension asset / (liability)	57,400	(236,980)

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

	2018 £	2017 £
Current service cost	79,000	79,000
Interest on pension liabilities	95,000	106,000
Interest on pension assets	(90,000)	(87,000)
Total	84,000	98,000

Analysis of amount recognised in the statement of comprehensive income:

	2018 £	2017 £
The return on plan assets (excluding amounts included in net interest expense)	(148,000)	173,000
Re-measurement of net pension liability	286,000	190,000
Total	138,000	363,000

17. Retirement benefit schemes (continued)

Movement in surplus/(deficit) during the year:

	2018 £	2017 £
Deficit in scheme at 1 January	(289,000)	(859,000)
Current service cost	(79,000)	(79,000)
Contributions made	305,000	314,000
Other finance costs	(5,000)	(19,000)
Re-measurement gain/(loss)	138,000	363,000
Administration costs	-	(9,000)
Surplus / (Deficit) in scheme at 31 December	70,000	(289,000)

Reconciliation of assets and defined benefit obligation:

	2018 £	2017 £
The change in assets over the year was:		
Fair value of assets at the beginning of the year	3,310,000	3,642,000
Transfer from the fellow group undertaking	-	-
Interest on pension assets	90,000	87,000
Employer contributions	305,000	314,000
Contributions by scheme participants	6,000	6,000
Re-measurement (loss)/gain	(148,000)	173,000
Administration Costs	-	(9,000)
Net Benefits paid out	-	(903,000)
Fair value of assets at the end of the year	3,563,000	3,310,000

The change in defined benefit obligation over the year was:

	2018 £	2017 £
Defined benefit obligation at the beginning of the year	3,599,000	4,501,000
Transfer from the fellow group undertaking	-	-
Current service cost	79,000	79,000
Contributions by scheme participants	6,000	6,000
Interest on pension liabilities	95,000	106,000
Re-measurement gain	(286,000)	(190,000)
Net Benefits paid out	-	(903,000)
Defined benefit obligation at the end of the year	3,493,000	3,599,000

17. Retirement benefit schemes (continued)

ArcelorMittal Commercial UK Ltd Pension and Assurance Scheme

The IAS 19 results have been based on results of the actuarial valuation by Legal & General as at 1 April 2017 rolled forward to 31 December 2018 by a qualified actuary using IAS 19 assumptions.

	2018	2017
	%	%
The major assumptions used by the actuary were:		
Discount rate for liabilities	2.9	2.6
Price inflation	3.2	3.1
Rate of increase in salaries	3.2	3.1
Revaluation in deferment	3.1	2.6

Discretionary benefits:	No allowance has been made for discretionary benefits.
Tax free cash:	90% of members are assumed to take 25% of their pension as 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 S2 tables with improvements in line with CMI 2017 projections with a smoothing factor of 7.5 and a 1.25% p.a. long term trend rate.

Sensitivity Analysis

Adjustment to Assumptions:	Plus 1%	Minus 1%
Discount Rate	(£1,048,000)	£1,401,000
Inflation	£660,000	(£610,000)
Salary increase	£283,000	(£250,000)
Life Expectancy (+/- 1 year)	£175,000	(£172,000)

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.

17. Retirement benefit schemes (continued)

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

	2018 %	2017 %
Gilts and bonds	99	100
Cash	1	-
	100	100

The investments are selected in order to spread any risk to the company as far as possible and are approved by the Trustees. There is no focus on any specific class of asset, the long term Bond and Gilt investments having been selected as most closely matching the scheme profile. Investments are managed by Legal & General.

	2018	2017
Value of assets	**£**	**£**
Fair value of assets	7,333,000	8,181,000
Present value of funded obligations	(5,232,000)	(5,841,000)
Scheme surplus	2,101,000	2,340,000
Related deferred tax liability recognised (notes 11 and 16)	(378,180)	(421,200)
Net pension asset	**1,722,820**	**1,918,800**

Analysis of the amount recognised in the profit and loss over the year	**2018 £**	**2017 £**
Current service cost	83,000	82,000
Interest on pension liabilities	141,000	163,000
Interest on pension assets	(203,000)	(201,000)
Total	21,000	44,000

Analysis of amount recognised in the statement of comprehensive income:

	2018 £	2017 £
The return on plan assets (excluding amounts included in net interest expense)	(329,000)	190,000
Re-measurement of net pension liability	35,000	630,000
Effect of IFRIC 14 Adjustment	-	555,000
Total	(294,000)	1,375,000

17. Retirement benefit schemes (continued)

Movement in surplus during the year:

	2018 £	2017 £
Surplus in scheme at 1 January	2,340,000	893,000
Transfer from the fellow group undertaking	-	-
Current service cost	(83,000)	(82,000)
Past Service Cost	(85,000)	-
Other finance income	62,000	38,000
Re-measurement (loss)/gain	(294,000)	1,375,000
Contributions made	161,000	133,000
Administration Costs	-	(17,000)
Surplus in scheme at 31 December	2,101,000	2,340,000

Reconciliation of assets and defined benefit obligation: The change in assets over the year was:	2018 £	2017 £
Fair value of assets at the beginning of the year	8,181,000	7,705,000
Transfer from the fellow group undertaking	-	-
Interest on pension assets	203,000	201,000
Employer contributions	161,000	133,000
Contributions by scheme participants	9,000	8,000
Benefits paid	(892,000)	(39,000)
Re-measurement (gain)/loss	(329,000)	190,000
Administration Costs	-	(17,000)
Fair value of assets at the end of the year	7,333,000	8,181,000

The change in defined benefit obligation over the year was:	2018 £	2017 £
Defined benefit obligation at the beginning of the year	5,841,000	6,257,000
Transfer from the fellow group undertaking	-	-
Current service cost	83,000	82,000
Past Service Cost	85,000	
Contributions by scheme participants	9,000	8,000
Interest cost on pension liabilities	141,000	163,000
Benefits paid	(892,000)	(39,000)
Re-measurement gain	(35,000)	(630,000)
Defined benefit obligation at the end of the year	5,232,000	5,841,000

17. 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 2018	(3,778,000)	(289,000)	2,340,000	(1,727,000)
Transfer from the fellow group undertaking	(449,000)	-	-	(449,000)
Current service cost	(213,000)	(79,000)	(83,000)	(375,000)
Past service cost	(240,000)	-	(85,000)	(325,000)
Other finance (costs)/income	(109,000)	(5,000)	62,000	(52,000)
Re-measurement (loss)/gain	846,000	138,000	(294,000)	690,000
Contributions made	323,000	305,000	161,000	789,000
Administrative costs	(35,000)	-	-	(35,000)
(Deficit)/surplus in scheme at 31 December 2018	(3,655,000)	70,000	2,101,000	(1,484,000)
Related deferred tax recognised (notes 11 and 16)	657,900	(12,600)	(378,180)	267,120
Net pension (liability)/surplus	**(2,977,100)**	**57,400**	**1,722,820**	**(1,216,880)**
(Deficit)/surplus in scheme at 1 January 2017	(5,848,000)	(859,000)	893,000	(5,814,000)
Current service cost	(238,000)	(79,000)	(82,000)	(399,000)
Other finance (costs)/income	(151,000)	(19,000)	38,000	(132,000)
Re-measurement gain	2,117,000	363,000	1,375,000	3,855,000
Contributions made	342,000	314,000	133,000	789,000
Administrative costs	-	(9,000)	(17,000)	(26,000)
(Deficit)/surplus in scheme at 31 December 2017	(3,778,000)	(289,000)	2,340,000	(1,727,000)
Related deferred tax recognised (notes 11 and 16)	680,040	52,020	(421,200)	310,860
Net pension (liability)/asset	**(3,097,960)**	**(236,980)**	**1,918,800**	**(1,416,140)**

17. Retirement benefit schemes (continued)

Combined scheme summary

	2018	2017
	£	£
Fair value of scheme assets	22,757,000	22,620,000
Present value of scheme liabilities	(24,241,000)	(24,347,000)
Deficit	(1,484,000)	(1,727,000)
Related deferred tax asset recognised (notes 11 and 16)	267,120	310,860
	(1,216,880)	(1,416,140)

Contributions made are inclusive of the following deficit reduction contributions:

	2018	2017
	£	£
TradeArbed UK Limited Scheme	182,400	182,400
Steelinter UK Limited Scheme	234,905	246,812
Sollac UK Limited Scheme	52,764	73,812
	470,069	503,024

The employer expects to contribute the following amounts to the Scheme's during the next financial year:

	2018	2017
	£	£
TradeArbed UK Limited Scheme	182,400	182,400
Steelinter UK Limited Scheme	223,000	191,453
Sollac UK Limited Scheme	45,750	48,493
	451,150	422,346

18. Called up share capital

	2018	2017
	£	£
Authorised, Allotted, called up and fully paid		
2,212,882 Ordinary shares of £1 each	2,212,882	2,212,882
Share capital issued 11 March 2016	-	-
	2,212,882	**2,212,882**

19. Profit and loss account

	£
Balance at 1 January 2017	(2,703,697)
Profit for the year	2,208,808
Other comprehensive loss for the year	3,161,100
Balance at 31 December 2017	**2,666,211**
Profit for the year	1,752,391
Other comprehensive income for the year	565,800
Balance at 31 December 2018	**4,984,402**

20. 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	
	2018	2017	2018	2017
	£	£	£	£
Operating leases with expiry:				
Within one year	169,925	169,925	3,913	10,205
Between two and five years	467,293	637,218	85,072	204,632
In over five years	-	-	-	-
	637,218	**807,143**	**88,985**	**214,837**

Included within commitments for land and buildings are the rentals for the company offices in Solihull. These are the only significant leasing arrangements made by the Company.

21. Capital commitments

There were no capital commitments at 31 December 2018 (2017: £Nil).

22. 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.

	2018 £	2017 £
Directors' remuneration		
Emoluments	511,534	496,591
Company contributions to defined benefit schemes	141,083	111,027
	652,617	607,618

	2018 Number	2017 Number
The number of directors who:		
Are members of a defined benefit pension scheme	4	4

	£	£
Remuneration of the highest paid director:		
Emoluments	144,238	137,579

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £55,293 pa under the scheme at the end of the year. There is no accrued lump sum.

23. Employees

Number of employees

The average monthly number of employees (including directors) during the year was (there is only one category of employee):

	2018 Number	2017 Number
Permanent Employees	53	55

Employment costs

	2018 £	2017 £
Wages and salaries	2,827,954	2,684,679
Social security costs	362,446	341,026
Other pension costs	996,536	615,866
	4,186,936	3,641,571

24. Derivative financial instruments

Outstanding contracts	Towards affiliated Undertakings		Notional value		Fair value	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
Foreign exchange derivative instruments	125,700,591	106,841,729	125,700,591	106,841,729	292,029	(533,046)
	125,700,591	106,841,729	125,700,591	106,841,729	292,029	(533,046)

The Company uses derivative financial instruments principally to manage its exposure to fluctuations in exchange rates. Derivative financial instruments are classified as current or non-currents assets or liabilities based on their maturity dates and are accounted for at trade date. The fair value of the financial asset/(liability) as of year-end is £292,029 (2017: (533,046)).

The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments. Gain or losses arising from changes in fair value of derivatives are recognized in the Profit and Loss Account.

25. Control

The company's ultimate parent undertaking and controlling party is ArcelorMittal S.A. which is incorporated in Luxembourg, 24-26 boulevard d'Avranches L-1160 Luxembourg, Grand Duchy of Luxembourg. This is the largest Group preparing Group Financial Statements of which the Company is a member.

The parent undertaking of the smallest group of which the company is a member is ArcelorMittal Commercial RPS SARL. incorporated in Luxembourg

Financial Statements are available on-line and at the address of the ultimate parent company, which is 24-26 boulevard d'Avranches L-1160 Luxembourg, Grand Duchy of Luxembourg.