

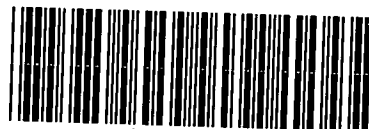
**Company Registration No. 3331364**

**ArcelorMittal Tailored Blanks Birmingham Limited**

**Annual report and financial statements**

**for the year ended 31 December 2013**

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# **ArcelorMittal Tailored Blanks Birmingham Limited**

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# **ArcelorMittal Tailored Blanks Birmingham Limited**

## **Officers and Professional advisers**

### **Directors**

Philippe Miclotte  
Phillippe Baudon (appointed 01/04/2013)  
Vincent Pairet (resigned 01/04/2013)

### **Secretary**

Andrew Brown

### **Registered Office**

Bridge Street North  
Smethwick  
West Midlands  
B66 2BA

### **Bankers**

Barclays Bank Plc  
Snow Hill One  
Birmingham  
B46GN

BNP Paribas London  
10 Harewood Avenue  
London  
NW1 6AA

### **Solicitors**

Eversheds LLP  
BridgeWater Place  
Water Lane  
Leeds  
LS11 5DR

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Four Brindleyplace  
Birmingham  
B1 2HZ

# ArcelorMittal Tailored Blanks Birmingham Limited

## Strategic report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013. This is the first time for the director to present a strategic report of the company as required by section 414C of the Company Act 2006.

### Principal activity

The company is part of the specialised business unit for tailored blanks business in the ArcelorMittal group of companies. ArcelorMittal Tailored Blanks Birmingham Limited ('AMTB Birmingham') is the UK entity of the Belgium based parent company ArcelorMittal Tailored Blanks NV.

AMTB Birmingham is responsible for manufacturing technology that improves the performance of car parts in vehicles. These tailored blanks, also called laser-welded blanks, are made by welding together flat steel sheets of different thicknesses, grades and coatings. These products offer an optimal combination of strength and ductility, as well as reducing vehicle costs. They also reduce the weight of vehicles and improve safety by enhancing crash performance. AMTB Birmingham is a leading producer of laser-welded blanks.

### The company is committed to adopting the philosophy of the group, namely:

Sustainability, quality and leadership. These aims describe how the company aims to 'transform tomorrow', they are simple and taken one by one, not unique in themselves. It is the combination, and the way they are applied that makes AMTB Birmingham's brand values unique.

### Sustainability

The company are guiding the evolution of steel to secure the best future for the industry for generations to come.

The company's commitment to the world around us extends beyond the bottom line, to include the people in whom the company invest and the communities it supports. This long-term approach is central to the company's business philosophy.

### Quality

The company look beyond today to envision the steel of tomorrow. Quality outcomes depend on quality people, the company seek to attract and nurture the best people to deliver superior solutions to all its customers.

### Leadership

The company promotes bold thinkers with a clear vision for the future of steel: the fabric of life. The company is proud of its achievements and its entrepreneurial spirit, which is responsible for elevating AMTB Birmingham to the forefront of the industry.

### Business review

It has been another good year with steady progress being made, there has also been an improvement in sales. In terms of sales, the company has been able to increase the turnover by 29.5% compared to last year. The business continues to be committed to providing excellent customer service and this commitment has been fruitful as it has resulted in the company gaining new orders. Costs have increased slightly, but this had been expected as there has been a drive to improve business and the company had planned for growth in 2013. The company aims to continue this growth trend into 2014. As always, costs remain a challenge, but these will continue to be kept under control by tight management systems and a team dedicated to monitoring the situation.

The company's Key Financial Performance indicators during the year were as follows :

	2013	2012	% Variance 2013/12
Turnover	13,553,790	10,464,050	29.5%
Net Profit	43,179	97,341	(55.6%)
EBITDA	537,118	454,264	18.2%
Shareholder Funds	1,111,851	1,097,896	1.3%
Tonnes Sold	11.7k	10.6k	10.4%
Welded Parts(Quantity)	1.6m	1.4m	14.3%
Scrap recycled (Tonnes)	497	320	55.3%
Number of Employees	33	28	17.9%

# ArcelorMittal Tailored Blanks Birmingham Limited

## Strategic Report (Continued)

### Business review (continued)

The EBITDA has increased by 18.2%, although profit has reduced. The main reason for this is due to the transfer pricing agreement which changed as well as financial costs i.e. interest charges and foreign exchange rates which had to be borne by the Company.

The business is undergoing a major change. The company purchased the trade and assets of the auto processing business from ArcelorMittal Distribution Solutions UK Limited, another ArcelorMittal company, on 1 May 2014. The majority of equipment and personnel have already moved to the new site. The final machine will be moving in September. The directors of the company believe this is the correct course of action to secure the business going forward and it fits with the group's business model and main group strategy. The company has invested over £2M on plant and equipment, this emphasises that there are strong opportunities for the business going forward.

The company operates under a transfer pricing agreement by its parent company ArcelorMittal Tailored Blanks NV, the agreement entitles the company to sell all of its stock to its parent company at an agreed transfer price. Transfer pricing is based on the company's cost plus a 1-3% mark up, this will provide guaranteed profits for the company in the future.

### Post balance sheet event

The company purchased the trade and assets of the auto processing business from ArcelorMittal Distribution Solutions UK Limited, another ArcelorMittal company, on 1 May 2014. As a result of the merger, AMTB Birmingham is planning to move all its business to the new site in Cakemore Road.

### Health and safety

#### Our journey to zero accidents

The directors of the company are committed to providing a safe and healthy working environment. Therefore it follows that the directors are striving to provide a workplace free of injuries and fatalities. The company measures the lost time injury frequency rate (LTIFR) and this is currently at 0 (2013) compared to 22.72 (2012). The company is also implementing fatality prevention standards in 2013 and this will progress in to 2014.

The company provides occupational health programmes to all of its employees, including eye and hearing checks. In addition to this, the company has a health week and safety day to promote safety and well being to all its staff.

The company is operating and is certified to the standard - OHSAS 18001.

### Environment

The company remains committed to reducing carbon emissions through its day to day operations. It also focuses on reducing packaging and scrap.

The company has started to set environment targets for increasing the recycling process and is currently putting in place systems to measure this. The company is planning to introduce a measure late in 2014 to control total carbon emissions from its operations.

The company currently measures its energy output based on a ratio of production. The increase is mainly due to volume increases.

	2013	2012	Target
Energy output and production ratio	1.6	1.2	1.25

### Operational review

The directors are committed to providing operational excellence in the company and ensuring the plant performs to the highest standards for customer satisfaction. The company continues to reduce scrap and provide good quality parts. The company will introduce world class manufacturing techniques in the future to further support its goal of becoming a leader in the supply of safe sustainable steel parts.

### Employees diversity and inclusion

The directors aim to be fair and reasonable and professional in all dealings with employees at all times. The company promotes a thriving workforce where everybody is treated equally and respected for the contribution that they make.

# ArcelorMittal Tailored Blanks Birmingham Limited

## Strategic Report (Continued)

### Employee relations and engagement

Employee engagement is an important aspect of the business and this is measured by conducting employee surveys. Surveys are scored based on a series of questions, asking about every aspect of their work (i.e. health and safety / working conditions / management) and scores are then calculated by taking the average score between 1 to 5, with 1 being that employees are unsatisfied with their work and 5 being that employees are very happy with their work. However, due to the merger discussed in the post balance sheet event section, the survey has been delayed. Therefore there is no data for 2013. The results for 2012 was 3.23 and 2011 was 3.37; whilst the parent company ArcelorMittal Tailored Blanks N.V. average was 2.90 (2013). The business is continuing to address the needs of its employees by using this survey to improve. The company places considerable value on employees, ensuring easy access to training and communication by way of health and safety meetings and the arrangement of other informal meetings. Communication is a key part of the company's employee engagement strategy and we consult with all our employees to inform them about issues that may affect them, e.g. safety, company performance.

The table below show currently the performance on absentissem and training rate indicating to us what our target was and whether we have managed to improve. This indicates that we improved slightly our absentissem but fell short in our training requirement for out staff.

	2013	2012	Target
Absenteeism rate	2.4%	2.5%	2.5%
Training rate	1.0%	2.9%	3.0%

### Financial risk management objectives and policies

#### Cash flow risk

This is reduced due to the transfer price policy agreement in place (the risk has been passed on to the parent company ArcelorMittal Tailored Blanks Limited NV). The company has an exchange rate risk, however this can be managed through the group's treasury service.

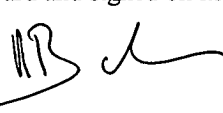
#### Credit risk

The company's credit risk is migrated as the majority of the debt is from the parent company.

#### Liquidity risk

The company has access to internal funding via the group treasury department and submits appropriate cash requirements when necessary. If further funding is required this is then approved by a planning requirement that will determine the cashflow status where additional capital / loan will be needed.

Approved by the board and signed on its behalf by

  
Philippe Baudon  
Director

30th September 2014

# ArcelorMittal Tailored Blanks Birmingham Limited

## Directors' Report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2013.

### Principal Activities

The principal activity of the company is the manufacture of tailored welded blanks and metal products for a range of industrial applications.

### Going Concern

ArcelorMittal Tailored Blanks NV has provided a letter of support to the company confirming that they will support the company when needed for a period of 12 months from the date of approval of the financial statements and will provide an adequate notice period of 12 months before recalling any overdraft facilities. The company does not have any external debt funding.

The expected volumes for 2014 are in line with budget. The merger has been mentioned in the business review. The continuation of monitoring of costs will improve the company's profitability. The company is forecast to make a profit in the 12 months following the signed date of accounts.

The shareholders are pleased with the progress of the business and new ventures are being planned. These will lead to growth of the business and possible investment in the future.

Considering the above factors, the directors continue to adopt the going concern basis in preparing the financial statements.

### Results and Dividend

The company made a profit after taxation for the year ended 31 December 2013 of £13,955 (2012 - £74,166 Profit). No dividends will be distributed for the year ended 31 December 2013 (2012- £nil).

### Directors

The Director who served throughout the year and subsequently, were as follows:

Philippe Miclotte  
Phillippe Baudon (appointed 01/04/2013)

### Supplier's payment policy

The company's policy, which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors at 31 December 2013 were equivalent to 54 (2012 - 26) days' purchases, based on the average daily amount invoiced by suppliers during the year.

### Auditor

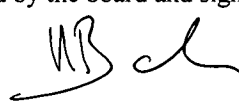
Each of the persons who are directors at the date of approval of this report confirm that:

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

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board and signed on its behalf by :

  
Philippe Baudon  
Director

3~~rd~~ September 2014

# **ArcelorMittal Tailored Blanks Birmingham Limited**

## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 Tailored Blanks Birmingham Limited**

We have audited the financial statements of ArcelorMittal Tailored Blanks Birmingham Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of director and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Dodworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham, United Kingdom

30th September 2014

**ArcelorMittal Tailored Blanks Birmingham Limited**  
**Profit and loss account**  
**For the year ended 31 December 2013**

	Note	2013 £	2012 £
Turnover	2	13,553,790	10,464,050
Cost of sales		(11,124,220)	(9,056,743)
<b>Gross profit</b>		<u>2,429,570</u>	<u>1,407,307</u>
Administrative expenses		(2,364,351)	(1,302,531)
<b>Operating profit</b>		<u>65,219</u>	<u>104,776</u>
Finance charges	5	(22,040)	(7,435)
<b>Profit on ordinary activities before taxation</b>	4	<u>43,179</u>	<u>97,341</u>
Tax on profit on ordinary activities	6	(29,224)	(23,175)
<b>Profit for the financial year after taxation</b>	16,18	<u><u>13,955</u></u>	<u><u>74,166</u></u>

All activities derive from continuing operations.

The company has no recognised gains or losses other than the result in each year. Accordingly, no statement of total recognised gains and losses is given.

**ArcelorMittal Tailored Blanks Birmingham Limited**  
**Balance Sheet**  
**As at 31 December 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Intangible assets	7	353,721	-
Tangible assets	8	3,325,432	1,799,219
<b>Total fixed assets</b>		<b>3,679,153</b>	<b>1,799,219</b>
<b>Current assets</b>			
Stocks	9	1,050,086	1,052,360
Debtors	10	2,895,285	1,580,836
Cash at bank and in hand		47,019	4,454
		<b>3,992,390</b>	<b>2,637,650</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(2,450,434)</b>	<b>(1,230,532)</b>
<b>Net current assets</b>		<b>1,541,956</b>	<b>1,407,118</b>
<b>Total assets less current liabilities</b>		<b>5,221,109</b>	<b>3,206,337</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<b>(4,043,203)</b>	<b>(2,085,076)</b>
<b>Provisions for liabilities</b>	14	<b>(66,055)</b>	<b>(23,365)</b>
<b>Net assets</b>		<b>1,111,851</b>	<b>1,097,896</b>
<b>Capital and reserves</b>			
Called up share capital	15	2,000,000	2,000,000
Profit and loss account	16	(888,149)	(902,104)
<b>Shareholders' funds</b>	18	<b>1,111,851</b>	<b>1,097,896</b>

The financial statements of ArcelorMittal Tailored Blanks Birmingham Limited (registered number 3331364) were approved by the board of directors and authorised for issue on ~~30~~ September 2014. They were signed on its behalf by:



Philippe Baudon  
Director  
~~30~~ September 2014

# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements

### For the year ended 31 December 2013

#### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial information has been prepared on a going concern basis, as set out in the Directors' report.

The financial statements are prepared under historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement, which is publicly available.

#### Intangible fixed assets

Intangible fixed assets are stated at cost, net of amortization and any impairment provision.

Amortization is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of amortization are as follows:

Computer software 33% per annum

Intangible assets under construction are assets that are incomplete and have yet to started being depreciated. Once completed then the asset will follow the normal process of intangible fixed asset.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and for any impairment.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	12%, 15% and 20% per annum
Fixtures and fittings	20% per annum

Tangible assets under construction are assets that are incomplete and have yet to started being depreciated. Once completed then the asset will follow the normal process of tangible fixed asset.

#### Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements (continued) For the year ended 31 December 2013

### 1. Accounting policies (continued)

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

#### Hire purchase and leasing commitments

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### Pension costs

The company operates a money purchase scheme pension plan. The company contributes a fixed percentage of each employee's salary every year to the plan. This cost is charged straight to the profit and loss account on a yearly basis. The performance of the plan is purely the responsibility of the employee and no liability is charged to the company in the event of poor performance of the fund.

#### Turnover

Turnover represents amounts derived from the provision of goods which fall within the company's ordinary activities on production of goods from premises of the company. Turnover is recognised when goods are produced and recorded net of trade discounts and Value Added Tax.

### 2. Turnover

The company operates in one business segment only. The geographical breakdown of turnover by destination is as follows:

	2013 £	2012 £
United Kingdom	13,553,790	10,464,050
	<u>13,553,790</u>	<u>10,464,050</u>

### 3. Staff costs

	2013 £	2012 £
Wages and salaries	1,141,142	818,142
Social security costs	89,815	66,020
Other pension costs	30,509	24,430
	<u>1,261,466</u>	<u>908,592</u>

The emoluments of the directors are paid by another group company so not practical to split.

# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements (continued) For the year ended 31 December 2013

### 3. Staff costs (continued)

	2013 No.	2012 No.
<b>Average number of persons employed</b>		
Quality	3	3
Admin	3	3
Production	27	22
	<u>33</u>	<u>28</u>

### 4. Profit on ordinary activities before tax

	2013 £	2012 £
<b>Profit on ordinary activities before tax is after stating:</b>		
Hire of plant and machinery	72,943	55,842
Depreciation - owned assets	471,899	349,488
Fees payable to Company's auditor for the audit of the statutory financial statements	7,981	10,995
Foreign exchange loss/ (profit)	66,015	(119,688)
Operating lease rentals	122,817	136,380
	<u>122,817</u>	<u>136,380</u>

There were no non-audit fees in the year (2012: £nil).

### 5. Finance charges

	2013 £	2012 £
Other interest payable to group companies	(22,040)	(7,435)
Net finance charges	<u>(22,040)</u>	<u>(7,435)</u>

### 6. Taxation

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013 £	2012 £
<b>Current tax:</b>		
UK corporation tax charge	-	(19,529)
Tax over provided in prior years	13,466	(671)
Total current tax	<u>13,466</u>	<u>(20,200)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(40,324)	(2,975)
Adjustments in respect of prior periods	(6,225)	-
Effect of tax rate changes on opening balance	3,859	-
	<u>(42,690)</u>	<u>(2,975)</u>
Tax on profit on ordinary activities	<u>(29,224)</u>	<u>(23,175)</u>

# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements (continued) For the year ended 31 December 2013

### 6. Taxation (continued)

#### Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013	2012
	£	£
Net profit before taxation	43,179	97,341
Tax at 23.25% thereon (2012: 24%)	(10,038)	(23,849)
Permanently disallowed expenditure	(36,833)	(7,480)
Timing differences	46,871	11,800
Tax over provided in prior years	13,466	(671)
Current tax charge for the period	13,466	(20,200)

On 21<sup>st</sup> March 2013, the government announced that the main rate of Corporation Tax would be reduced to 23% with effect from 1 April 2013 (further reductions of 1% p.a. to follow each year so that the rate will be 21% by 1 April 2014) resulting a blended rate of current tax of 23.25% in the year..

Finance Act 2013 subsequently enacted further reductions in the main rate of corporation tax to 20% with effect from 1 April 2015. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantially enacted at the balance sheet date. Accordingly the reduction to 20% has been considered when measuring the deferred tax assets and liabilities at 31 December 2013.

### 7. Intangible fixed assets

	Computer Software Total £
<b>Cost</b>	
At 1 January 2013	219,743
Assets under construction	353,721
At 31 December 2013	573,464
<b>Depreciation</b>	
At 1 January and 31 December 2013	219,743
	219,743
<b>Net book value</b>	
At 31 December 2013	353,721
At 31 December 2012	-

# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements (continued) For the year ended 31 December 2013

### 8. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2013	5,833,122	78,247	5,911,369
Additions	1,134,404	-	1,134,404
Assets under construction	863,708	-	863,708
At 31 December 2013	7,831,234	78,247	7,909,481
<b>Depreciation</b>			
At 1 January 2013	4,048,618	63,532	4,112,150
Charge for the year	458,273	13,626	471,899
At 31 December 2013	4,506,891	77,158	4,584,049
<b>Net book value</b>			
At 31 December 2013	3,324,343	1,089	3,325,432
At 31 December 2012	1,784,504	14,715	1,799,219

### 9. Stocks

	2013 £	2012 £
Raw materials	698,362	418,760
Work-in-progress	39,227	65,442
Finished goods and goods for resale	312,497	568,158
	<u>1,050,086</u>	<u>1,052,360</u>

There is no material difference between the balance sheet value of stocks and their replacement costs.

### 10. Debtors

	2013 £	2012 £
Amounts owed third party	93	-
Amounts owed by group undertakings	2,800,114	1,500,000
Prepayments and accrued income	66,140	65,364
Tax receivable	28,938	15,472
	<u>2,895,285</u>	<u>1,580,836</u>



# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements (continued) For the year ended 31 December 2013

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

	2013 £	2012 £
Trade creditors	377,988	204,080
Amounts owed to group undertakings	1,117,964	446,501
Social security and other taxes	62,146	22,412
VAT payable	318,763	121,565
Accruals and deferred income	573,573	435,974
	<u>2,450,434</u>	<u>1,230,532</u>

### 12. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	4,043,203	2,085,076
	<u>4,043,203</u>	<u>2,085,076</u>

### 13. Financial commitments

The following annual commitments under non-cancellable operating lease are to be paid:

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Leases which expire:				
Within one year	<u>122,421</u>	<u>122,420</u>	<u>253</u>	<u>7,194</u>
	<u>122,421</u>	<u>122,420</u>	<u>253</u>	<u>7,194</u>

# ArcelorMittal Tailored Blanks Birmingham Limited

## Notes to the financial statements (continued) For the year ended 31 December 2013

### 14. Provisions for liabilities

	2013 £	2012 £
Deferred tax:		
Accelerated capital allowances	66,055	23,365
	<u>66,055</u>	<u>23,365</u>
		<b>Deferred tax £</b>
At 1 January 2013		23,365
Charge to profit and loss account: -origination and reversal of timing differences (note 6)		42,690
At 31 December 2013		<u>66,055</u>

### 15. Called up share capital

	2013 £	2012 £
<b>Called up, allotted and fully paid</b> 2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

### 16. Reserves

	<b>Profit and loss account £</b>
At 1 January 2013	(902,104)
Profit for the year	13,955
At 31 December 2013	<u>(888,149)</u>

### 17. Related party transactions

Exemption has been claimed under Financial Reporting Standard number 8 regarding the disclosure of group transactions and transactions with associated companies on the basis that the company is a wholly owned subsidiary of a parent who prepares consolidated financial statements which are publicly available.

## ArcelorMittal Tailored Blanks Birmingham Limited

### Notes to the financial statements (continued) For the year ended 31 December 2013

#### 18. Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	13,955	74,166
Opening shareholders' funds	1,097,896	1,023,730
Closing shareholders' funds	<u>1,111,851</u>	<u>1,097,896</u>

#### 19. Ultimate parent company

The financial statements of the company are consolidated into the group financial statements of ArcelorMittal Tailored Blanks NV, a company registered in Sluispark Offices, Verlorenbroodstraat 122 b4, 9820 Merelbeke, Belgium. ArcelorMittal Tailored Blanks NV is the smallest group preparing consolidated financial statements including this entity for the year ended 31 December 2013.

ArcelorMittal S.A. is the ultimate controlling party of this company and is the largest group preparing consolidated financial statements including this entity for the year ended 31 December 2013.

Copies of the ArcelorMittal S.A consolidated financial statements may be obtained from the Company Secretary, ArcelorMittal S.A, 19, Avenue de la Liberté, Grand-Duchy of Luxembourg.

#### 20. Post balance sheet event

The company purchased the trade and assets of the auto processing business from ArcelorMittal Distribution Solutions UK Limited, another ArcelorMittal company, on 1 May 2014. As a result of the merger, AMTB Birmingham is planning to move all its business to the new site in Cakemore Road.