

Company Registration No. 3331364

ArcelorMittal Tailored Blanks Birmingham Limited

Annual report and financial statements

for the year ended 31 December 2014

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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

Secretary

Andrew Brown

Registered Office

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Rowley Regis
West Midlands
B65 0QL

Bankers

Barclays Bank Plc
Snow Hill One
Birmingham
B46GN

Auditor

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

ArcelorMittal Tailored Blanks Birmingham Limited

Strategic report

The directors present their strategic report and the audited financial statements for the year ended 31 December 2014 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. Supplies flat steel sheets of different thickness, grades and coatings to the Automotive industry, some of these blanks so 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 tailored blanks and 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

On the 1 May 2014, the company acquired the stock and assets of auto processing business from another ArcelorMittal Group company (ArcelorMittal Distribution Solutions UK Limited). This has changed the dynamics of the company by acquiring large apportion of blanking business to complement its current welding business. Therefore, comparative figure between years are not available. The purchase was financed by an intercompany loan of £8 million and the company has increased its share capital from £2m to £10m. It was agreed by both ArcelorMittal companies (ArcelorMittal Tailored Blanks Birmingham Limited and ArcelorMittal Distribution Solutions UK Limited) that closing debtors and creditors at the point of sale would be managed by the ArcelorMittal Distribution Solutions UK Limited.

The key financial performance shows an increase in sales and costs. This was to be expected due to the acquisition of the auto processing business. This business produces blanking of steel parts and has significantly higher volume throughput than the current welding business.

The business continues to be committed to providing excellent customer service. The company aims to continue this growth trend into 2015. 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.

ArcelorMittal Tailored Blanks Birmingham Limited

Strategic Report (Continued)

Business review (continued).

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

	2014	2013	% Variance 2014/13
Turnover	42,058,296	13,553,790	210.3%
Profit before Tax	547,499	43,179	1168.0%
EBITDA	1,902,589	537,118	254.2%
Shareholder Funds	9,540,190	1,111,851	758.0%
Tonnes Sold	46.0k	11.7k	293%
Welded Parts(Quantity)	2.2m	1.6m	38%
Scrap recycled (Tonnes)	3,453	497	595%
Number of Employees	87	33	163.6%

The increase in EBITDA of 254.2% is due to the acquisition of the auto processing business on 1 May 2014.

This year has been a year of change with the acquisition. The business has undergone a lot of structural changes to bring both the blanking and welding activities together. The Management team are currently striving to reduce complexities and promote action from all areas of the business. This will bring a strong business and the ability to fully support our customer base.

The Company operates under a transfer pricing agreement with 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.

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 (2014) compared to 0 (2013). The Company implemented fatality prevention standards in 2013 and this is continuing in 2014 and beyond.

The company provides occupational health programmes to all of its employees, including eye and hearing checks. Each year the Company runs health week and safety day to train and promote the safety and well being of all its staff.

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

Environment

The Company remains committed to reducing its impact on the environment by monitoring three processes these are as follows:

	2014	2013	Target
Packing Scrap recycle	40%	N/A	45%
Carbon Emissions	N/A	N/A	N/A
Energy output and production ratio	N/A	1.6	1.25

Due to the business acquisition it is not yet possible to provide comparative data. Targets have been revised.

ArcelorMittal Tailored Blanks Birmingham Limited

Strategic Report (Continued)

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.

Employee diversity and inclusion

The directors aim to be fair, 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.

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. The results for 2014 was 2.50 and 2013 (no data, no survey conducted due to the acquisition); whilst the parent company ArcelorMittal Tailored Blanks N.V. average was 2.90 (2014). 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 shows currently the current performance on absenteeism and training rate indicating to us what our target was and whether we have managed to improve. This indicates that we were up on our absenteeism due to several employees being on long term sick. However much improvement has been made on the training requirements for our staff.

	2014	2013	Target
Absenteeism rate	2.86%	2.4%	2.5%
Training rate	8.33%	1.0%	5.0%

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.

ArcelorMittal Tailored Blanks Birmingham Limited

Strategic Report (Continued)

Future Outlook

The aim for 2015 will be to quickly stabilise our systems due to acquisition of the auto processing business. This will provide us with a good position to support our customers and business partners. Business continues to be committed to providing excellent customer service. The company aims to build on the new structure by bringing the welding and blank facilities together. This will lead to better quality assurance, operational performance and cost control. World class manufacturing methodology will be introduced later on in the year to drive our progress in forthcoming years.

The business has a good foundation to be successful in its field of expertise and, with the support of its parent company, will continue to provide outstanding products for its customers.

Approved by the board and signed on its behalf by



Philippe Baudon
Director

29 September 2015

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 2014.

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 2015 are in line with budget. The acquisition 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 2014 of £428,339 (2013 - £13,955 Profit). No dividends will be distributed for the year ended 31 December 2014 (2013- £nil).

Directors

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

Philippe Miclotte
Phillippe Baudon

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 2014 were equivalent to 56 (2013 - 54) 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

29 September 2015

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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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 2014 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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.



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

29 September 2015

ArcelorMittal Tailored Blanks Birmingham Limited
Profit and loss account
For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover from existing operations		18,822,768	13,553,790
Turnover from acquired operations		23,235,528	-
Total turnover	2	42,058,296	13,553,790
Cost of sales		(37,036,750)	(11,124,220)
Gross profit		5,021,546	2,429,570
Administrative expenses		(4,334,802)	(2,364,351)
Operating profit from existing operations		325,094	65,219
Operating profit from acquired operations		361,650	-
Total operating profit		686,744	65,219
Finance charges	5	(139,245)	(22,040)
Profit on ordinary activities before taxation	4	547,499	43,179
Tax on profit on ordinary activities	6	(119,160)	(29,224)
Profit for the financial year after taxation	16,19	428,339	13,955

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 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	7	431,041	353,721
Tangible assets	8	6,881,086	3,325,432
Total fixed assets		7,312,127	3,679,153
Current assets			
Stocks	9	7,647,472	1,050,086
Debtors	10	9,270,680	2,895,285
Cash at bank and in hand		183,971	47,019
		17,102,123	3,992,390
Creditors: amounts falling due within one year	11	(6,891,932)	(2,450,434)
Net current assets		10,210,191	1,541,956
Total assets less current liabilities		17,522,318	5,221,109
Creditors: amounts falling due after more than one year	12	(8,000,000)	(4,043,203)
Provisions for liabilities	14	17,872	(66,055)
Net assets		9,540,190	1,111,851
Capital and reserves			
Called up share capital	15	10,000,000	2,000,000
Profit and loss account	16	(459,810)	(888,149)
Shareholders' funds	19	9,540,190	1,111,851

The financial statements of ArcelorMittal Tailored Blanks Birmingham Limited (registered number 3331364) were approved by the board of directors and authorised for issue on 29 September 2015. They were signed on its behalf by:



Philippe Baudon
Director

29 September 2015

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements For the year ended 31 December 2014

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

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 2015 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.

Cash flow statements

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 start 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:

Land and Buildings	0% Land , 3.5% Buildings
Plant and machinery	10%, 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 start being depreciated. Once completed then the asset will follow the normal process of tangible fixed asset.

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

1. Accounting policies (continued)

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.

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.

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

2. Turnover

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

	2014 £	2013 £
United Kingdom	42,058,296	13,553,790
	<u>42,058,296</u>	<u>13,553,790</u>

3. Staff costs

	2014 £	2013 £
Wages and salaries	2,873,688	1,141,142
Social security costs	202,582	89,815
Other pension costs	83,914	30,509
	<u>3,160,184</u>	<u>1,261,466</u>

Directors' emoluments are paid by the parent company.

	2014 No.	2013 No.
Average number of persons employed		
Quality	3	3
Admin	22	3
Production	62	27
	<u>87</u>	<u>33</u>

4. Profit on ordinary activities before tax

	2014 £	2013 £
Profit on ordinary activities before tax is after charging/(crediting):		
Hire of plant and machinery	75,415	72,943
Amortisation – Owned assets	22,686	-
Depreciation - Owned assets	1,193,159	471,899
Fees payable to Company's auditor for the audit of the statutory financial statements	8,061	7,981
Foreign exchange (loss)/ profit	(242,735)	66,015
Operating lease rentals	125,397	122,817

Non-audit fees during the year were nil (2013: £nil).

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

5. Finance charges

	2014 £	2013 £
Other interest payable to group companies	(139,245)	(22,040)
Net finance charges	<u>(139,245)</u>	<u>(22,040)</u>

6. Taxation

Analysis of the tax charge

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

	2014 £	2013 £
Current tax:		
UK corporation tax charge	(203,172)	-
Tax over provided in prior years	85	13,466
Total current tax	<u>(203,087)</u>	<u>13,466</u>
Deferred tax:		
Origination and reversal of timing differences	83,919	(40,324)
Adjustments in respect of prior periods	8	(6,225)
Effect of tax rate changes on opening balance	-	3,859
	<u>83,927</u>	<u>(42,690)</u>
Tax on profit on ordinary activities	<u>(119,160)</u>	<u>(29,224)</u>

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:

	2014 £	2013 £
Net profit before taxation	547,499	43,179
Tax at 21.49% thereon (2013: 23.25%)	<u>(110,770)</u>	<u>(10,038)</u>
Permanently disallowed expenditure	65,570	(36,833)
Timing differences	(157,972)	46,871
Tax over provided in prior years	85	13,466
Current tax charge for the period	<u>(203,087)</u>	<u>13,466</u>

As previously announced the main rate of CT reduces to 23% from 1 April 2013 and will be further reduced to 21% from 1 April 2014.

1 April 2015 the main rate of corporation tax will be reduced to 20%, thereby marrying both the large and small company rates and eliminating marginal relief.

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

7. Intangible fixed assets

	Computer Software Total £
Cost	
At 1 January 2014	573,464
Transfers	-
Additions	100,006
At 31 December 2014	<u>673,470</u>
Amortisation	
At 1 January 2014	219,743
Charge for the period	22,686
	<u>242,429</u>
Net book value	
At 31 December 2014	431,041
	<u>353,721</u>
At 31 December 2013	<u>353,721</u>

8. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Under Construction £	Total £
Cost					
At 1 January 2014	-	7,831,234	78,247	-	7,909,481
Reclassification	-	(1,232,417)	-	1,232,417	-
At 1 January 2014 (revised)	-	6,598,817	78,247	1,232,417	7,909,481
Transfer from group entity	3,032,582	778,487	7,255	-	3,818,324
Additions	-	75,032	1,299	854,158	930,489
Transfers	-	1,203,873	72,032	(1,275,905)	-
At 31 December 2014	<u>3,032,582</u>	<u>8,656,209</u>	<u>158,833</u>	<u>810,670</u>	<u>12,658,294</u>
Depreciation					
At 1 January 2014	-	4,506,891	77,158	-	4,584,049
Charge for the year	52,690	1,134,280	6,189	-	1,193,159
Reclassification	-	-	-	-	-
At 31 December 2014	<u>52,690</u>	<u>5,641,171</u>	<u>83,347</u>	<u>-</u>	<u>5,777,208</u>
Net book value					
At 31 December 2014	<u>2,979,892</u>	<u>3,015,038</u>	<u>75,486</u>	<u>810,669</u>	<u>6,881,086</u>
At 31 December 2013	<u>-</u>	<u>2,091,926</u>	<u>1,089</u>	<u>1,232,417</u>	<u>3,325,432</u>

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

8. Tangible fixed assets (continued)

In the 2013 statutory accounts £1,232,417 of under construction additions were incorrectly classified as plant and machinery additions. The additions were not in use during 2013 and as such were not subject to depreciation. The reclassification from plant and machinery to under construction is a presentational adjustment and therefore has no impact to the profit and loss account, addition relating to the acquisition or the net book value of the assets in the balance sheet. In 2014 the capital projects were completed and transferred to plant and machinery and fixtures and fittings as shown in the schedule above.

Additions have been divided to show the cost of acquisition of the auto processing assets that were purchased at book value from ArcelorMittal Distributions Solutions UK Limited. The depreciation is calculated as per our accounting policy.

9. Stocks

	2014 £	2013 £
Raw materials	6,699,098	698,362
Work-in-progress	948,374	39,227
Finished goods and goods for resale	-	312,497
	<u>7,647,472</u>	<u>1,050,086</u>

Under the new business structure there are no finished goods and goods for resale. Once stock items are classified as finished, they are immediately sold to the parent company. There is no material difference between the balance sheet value of stocks and their replacement costs.

10. Debtors

	2014 £	2013 £
Amounts owed third party	-	93
Amounts owed by group undertakings	8,293,260	2,800,114
Prepayments and accrued income	977,420	66,140
Tax receivable	-	28,938
	<u>9,270,680</u>	<u>2,895,285</u>

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

11. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	271,928	377,988
Amounts owed to group undertakings	3,693,993	1,117,964
Social security and other taxes	130,809	62,146
VAT payable	1,022,774	318,763
Accruals and deferred income	1,598,279	573,573
Corporation Tax payable	174,149	-
	<u>6,891,932</u>	<u>2,450,434</u>

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

	2014 £	2013 £
Amounts owed to group undertakings	8,000,000	4,043,203
	<u>8,000,000</u>	<u>4,043,203</u>

13. Financial commitments

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

	Land and buildings		Other operating leases	
	2014 £	2013 £	2014 £	2013 £
Leases which expire:				
Within one year	<u>122,421</u>	<u>122,421</u>	<u>131,584</u>	<u>253</u>
	<u>122,421</u>	<u>122,421</u>	<u>131,584</u>	<u>253</u>

14. Provisions for liabilities

	2014 £	2013 £
Deferred tax: (Decelerated)/Accelerated capital allowances	<u>(17,872)</u>	<u>66,055</u>
	<u>(17,872)</u>	<u>66,055</u>

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

14. Provisions for liabilities (continued)

	Deferred tax £
At 1 January 2014	66,055
Charge to profit and loss account: -origination and reversal of timing differences (note 6)	(83,919)
	(8)
At 31 December 2014	<u>(17,872)</u>

15. Called up share capital

	2014 £	2013 £
Called up, allotted and fully paid		
10,000,000 ordinary shares of £1 each	10,000,000	2,000,000
	<u>10,000,000</u>	<u>2,000,000</u>

The company increased its share capital by 8m new shares at £1.00 each to help fund the merge of the two ArcelorMittal Entities.

16. Reserves

	Profit and loss account £
At 1 January 2014	(888,149)
Profit for the year	428,339
At 31 December 2014	<u>(459,810)</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 2014

18 Acquisition of Assets

On the 1 May 2014, the company acquired the stock and assets of auto processing business from another ArcelorMittal Group company (ArcelorMittal Distribution Solutions UK Limited) for consideration comprising of cash purchase. The fair value of the total consideration was £11,379,476. The company has taken no account of any premium on the assets and stock and has recorded the cost of the investment at purchase value.

The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their value to the company.

	Book value	Fair value to company
	£	£
Fixed assets		
Tangible	3,818,324	3,818,324
Current assets		-
Stocks	7,561,152	7,561,152
Total assets	<u>11,379,476</u>	<u>11,379,476</u>
Net assets	<u>11,379,476</u>	
		<u>11,379,476</u>
Satisfied by		
Shares issued		8,000,000
Cash loan obtained from group under-taking		3,379,476
		<u>11,379,476</u>

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

18. Acquisition of Assets (continued)

Net cash outflows in respect of the acquisition comprised:

	£
Cash consideration	11,379,476
	<u>11,379,476</u>

An amount of £84,405 has been charged to the profit and loss account in respect of costs incurred in reorganising, restructuring and integrating the acquisition in the period from 1 May 2014 to 31 December 2014.

The acquired business unit earned a profit after taxation of £219,185 in the year ended December 2014. The summarised profit and loss account for the period from 1 May 2014 to 31 December 2014, shown of the acquired business, prior to the acquisition, is as follows:

Profit and loss account	£
Turnover	23,235,528
Cost of sales	<u>20,470,073</u>
Gross profit	2,756,455
Other operating expenses (net)	<u>2,394,805</u>
Operating profit	361,650
Finance charges (net)	<u>(76,927)</u>
Profit on ordinary activities before taxation	284,723
Tax on profit on ordinary activities	<u>(65,538)</u>
Profit for the financial period	<u>219,185</u>

ArcelorMittal Tailored Blanks Birmingham Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

19. Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	428,339	13,955
Share capital acquired	8,000,000	-
Opening shareholders' funds	1,111,851	1,097,896
Closing shareholders' funds	9,540,190	1,111,851

20. 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 2014.

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 2014.

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.