Company Registration No. 03335595

ArcelorMittal Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

ArcelorMittal Limited
Annual report and Financial Statements for the year ended 31 December 2017

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Officers and professional advisers

Directors

N V K Davidson
E F J Jansen
O Otradovec
A C A van Ysendyck (resigned on 19 December 2017)
H M A J M Blaffart (resigned on 31 March 2018)

Secretary

M R Loynes

Registered Office

7th Floor
Berkeley Square House
Berkeley Square
London
W1J 6DA
United Kingdom

Bankers

HSBC Bank plc
City of London Branch
60 Queen Victoria Street, London
EC4N 4TR
United Kingdom

Auditor

Deloitte LLP
Statutory auditor
1 New Street Square
London
EC4A 3HQ
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ArcelorMittal Limited
Strategic report

The directors present their Strategic report for the year ended 31 December 2017 to provide a review of the Company's business, performance as well as its principal risks and uncertainties.

Organisation and principal activities

ArcelorMittal Limited (the "Company") was incorporated on 18 March 1997 (Companies House registration no. 3335595). The Company is a wholly-owned subsidiary of ArcelorMittal (the "Parent").

ArcelorMittal Limited's principal activity during the year was the provision of technical and commercial support services to affiliated companies mainly in the ArcelorMittal Group. The principal activity of the Group is the manufacture of semi-finished steel and steel related products as well as mining operations.

Business review

The directors are satisfied with the Company's performance in the year and do not believe it is necessary to include analysis using key performance indicators (KPIs) for a proper understanding of the performance of the year. The Company will be guided by its immediate parent Company in seeking further opportunities for growth.

Financial performance

Turnover during the year was £30,915,749 (2016, £37,719,236) and the net current assets amounted to £22,066,728 (2016, £18,267,458). Operating expenses comprise mainly salary costs, rent, rates, utilities, maintenance costs, depreciation and professional fees. The profit for the year, after taxation, amounted to £3,758,308 (2016, £3,682,208). The directors believe that this level of activity will continue for the foreseeable future. The Company's financial performance is presented in the profit and loss account on page 9 and the risk management polices have been described below.

Principal risks and risk governance

The Board of Directors is responsible for approving risk management principles and policies as well as ensuring that the Company's management maintains an effective system of internal controls. They are responsible for the management of risk within the framework of risk management principles and policies approved by the Board.

Financial risk management

The Company is exposed to financial risk through its financial assets and financial liabilities. The Company does not use derivatives for any type of transactions.

Credit risk

Credit risk is that a counterparty will be unable to pay amounts in full when due. The Company's exposure to credit risk is through its trade debtors. However, as all the receivables are from Group companies, the amounts billed are generally collected timely and there are no doubtful receivables.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is a profitable unit and maintains a good liquidity position. All its debtors are Group companies and therefore amounts billed are generally promptly paid and thus ensuring a good liquidity position.

Interest rate risk

The Company does not have any interests bearing assets or liabilities, except its cash pooling account with ArcelorMittal Treasury SNC. Therefore, changes in interest rates do not materially affect the values of its assets and liabilities.

Principal risks and risk governance (continued)

Currency risk

The Company's exposure to currency risk, in respect of liabilities in currencies other than sterling is not material. The Company's assets are not exposed to currency risk.

The strategic report was approved by the Board of Directors on 14 September 2018 and signed on behalf of the Board of Directors.

N V K Davidson
Director

O Otradovec
Director

ArcelorMittal Limited
Directors' report

The Strategic Report on page 2 describes the principal activities of the Company and provides detailed information on the development of the Group's business during the year along with the exposure to risks and uncertainties and indications of likely future developments.

Directors

The directors who served the Company during the year were as follows:

N V K Davidson
E F J Jansen
O Otradovec
A C A van Ysendyck (resigned on 29 December 2017)
H M A J M Blaffart (resigned on 31 March 2018)

Directors' indemnities

The Company has made indemnity provisions for the benefit of its directors which remain in force during the year and at the date of this report.

Disclosure of information to auditor

Each of the persons who is a director at the fdate of approval of this annual report confirms that:

- so far as the director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.
- financial risk management polices have been described in Strategic report on page 2.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Dividend

The directors recommend the payment of the interim dividend of £11,000,000 (2016: nil).

Subsequent events

There is no event subsequent to the year end that requires adjustment or disclosure in the financial statements.

Going concern

The Company has considerable financial resources and therefore, the directors believe that the Company is well placed to manage its business and liquidity risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business review section of the Strategic report on page 2.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

ArcelorMittal Limited
Directors' report (continued)

Going concern (continued)

The directors, having assessed the responses of the directors of the Company's parent (ArcelorMittal) to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the ArcelorMittal Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of ArcelorMittal, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditor

A resolution to re-appoint the auditor will be proposed at the forthcoming Annual General Meeting; subject to the decisions made by the Group Audit Committee in this regard.

These financial statements were approved by the Board of Directors on 14 September 2018 and signed on behalf of the Board of Directors.

N V K Davidson
Director

O Otradovec
Director

ArcelorMittal 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 are required to prepare the Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the accounts 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 the parent Company 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;
- ensure that Financial Reporting Standard 101 Reduced Disclosure Framework has 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 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; 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, 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 Limited

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.

TIMOTHY BIGGS (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

21 ~~14~~ September 2018

ArcelorMittal Limited
Profit and loss account
For the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	3	30,915,749	37,719,236
Operating expenses		(26,879,614)	(33,374,117)
Operating profit	4	4,036,135	4,345,119
Interest income	7	145,346	257,802
Profit on ordinary activities before taxation		4,181,481	4,602,921
Tax on profit on ordinary activities	8	(423,173)	(920,713)
Profit on ordinary activities after taxation		3,758,308	3,682,208

The profit for the current and preceding year is derived from continuing operations.

All gains and losses have been recognised in the profit and loss account above and therefore no statement of other comprehensive income is presented.

ArcelorMittal Limited
Balance sheet
As at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	371,571	411,372
Intangible assets	10	989,559	990,719
Total fixed assets		1,361,130	1,402,092
Current assets			
Debtors	11	30,510,676	28,408,686
Cash at bank and in hand		2,013,289	411,718
Total current assets		32,523,964	28,820,404
Creditors: amounts falling due within one year	12	(10,457,237)	(10,552,943)
Net current assets		22,066,728	18,267,458
Total assets less current liabilities		23,427,858	19,669,550
Capital and reserves			
Called-up share capital	15	1,500,000	1,500,000
Capital contribution	19	10,567,520	10,567,520
Retained earnings		11,360,338	7,602,030
Equity shareholders' funds		23,427,858	19,669,550

The financial statements of ArcelorMittal Limited, registered number 03335595 were approved by the Board of Directors and authorised for issue on 14 September 2018.

They were signed on its behalf by:

N V K Davidson
Director

O Otradovec
Director

ArcelorMittal Limited
Statement of changes in equity
For the year ended 31 December 2017

	Called-up share capital	Retained earnings	Capital contribution	Equity shareholders' funds
	£	£	£	£
At 1 January 2016	1,500,000	3,919,823	10,567,520	15,987,343
Profit for the year	-	3,682,208	-	3,682,208
At 31 December 2016	1,500,000	7,602,030	10,567,520	19,669,550
Profit for the year	-	3,758,308	-	3,758,308
At 31 December 2017	1 500 000	11,360,338	10 567 520	23,427,858

1. General information

ArcelorMittal Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

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

Adoption of new and revised Standards Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

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

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements have therefore 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 business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the Group accounts of ArcelorMittal. The Group accounts of ArcelorMittal are available to the public and can be obtained from ArcelorMittal, 24-26 boulevard d'Avranches, L-1160 Luxembourg, Luxembourg.

Going concern

The Company has considerable financial resources and therefore, the directors believe that the Company is well placed to manage its business and liquidity risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a reducing balance basis over its expected useful life, as follows:

Leasehold property	-	Over 7 years
Fixtures and fittings	-	15% per annum reducing balance
Motor vehicles	-	25% per annum reducing balance
Office equipment	-	25% per annum reducing balance

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Useful lives and residual values are reviewed at the end of every reporting period.

Intangible assets

Intangible assets are stated at cost and depreciated in equal annual instalments over a period of 862 years which is their estimated useful economic life.

Turnover

Turnover, which is stated net of value added tax, represents amounts derived from the services which fall within the Company's ordinary activities. Turnover relating to the services provided is recognised at the end of each month on accrual basis as the economic benefits associated with the sale are expected to flow to the Company. Turnover is attributable to one continuing activity which is the provision of technical and commercial support services to the parent company.

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

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Foreign currencies

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

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating lease agreements

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Pension costs

The Company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either liabilities or assets in the balance sheet.

Operating leases

Assets held under lease arrangements for which risks and rewards of ownership are not tranfered to the Company are classified as operating leases and are not recognized in the balance sheet. Payments made under operating leases are recognized in operating expenses in the profit and loss accounts on a straight-line basis over the lease terms.

Operating expenses are recognised in the profit and loss account in the period in which they arise and are accounted for on an accruals basis.

Interest expense

Interest expenses are accounted for on an accruals basis in the profit and loss account and are added to the carrying amount of the liability

2. Significant accounting policies (continued)

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 initially measured 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.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.
Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.
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 through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Critical accounting judgements and key sources of estimation

The preparation of financial statements in conformity with FRS 101 recognition and measurement principles and, in particular, making the aforementioned critical accounting judgments require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, turnover and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances or obtaining new information or more experience may result in revised estimates, and actual results could differ from those estimates. The critical accounting judgements and significant assumptions made by management in the preparation of these statutory accounts are provided below.

Equity settled share-based payments

Equity settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date; fair value excludes the effect of non-market-based vesting conditions. The fair value is charged to the statement of income and credited to retained earnings (unless the settlement is performed by the parent company using its own shares in which case it is credited as a capital contribution in the parent company's equity) on a straight-line basis over the period the estimated number of awards are expected to vest.

At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to intercompany payables where the subsidiary intends to reimburse the parent company in the future for awards made to subsidiary employees.

3. Turnover

Turnover, which is stated net of value added tax, represents amounts derived from the services which fall within the Company's ordinary activities. Turnover relating to the services provided is recognised at the end of each month on an accruals basis as the economic benefits associated with the sale are expected to flow to the Company.

Turnover is mainly attributable to one continuing activity which is the provision of technical and commercial support services to the parent company. An analysis of turnover by geographical market is given below:

	2017	2016
	£	£
Luxemburg	28,714,318	34,590,970
United Kindgom	2,151,432	3,078,266
Indonesia	50,000	50,000
	30,915,749	37,719,236

4. Operating profit

There are no operating segments.

	2017	2016
	£	£
This is stated after charging		
Staff costs (see note 6)	20,698,829	25,602,271
Operating lease rentals – land and buildings	2,153,630	3,166,508
Depreciation (see note 9)	60,219	73,174
Amortisation	1,160	1,160
Foreign exchange loss	15,092	7,053

5. Auditor's remuneration

Fees payable to Deloitte and their associates for the audit of the Company's annual accounts were £19,394 (2016: £19,209).

6. Staff costs

The average monthly number of employees (including executive directors) was:

	2017	2016
	No.	No.
Management staff	7	12
Monthly average number of employees during the year	56	59
	63	71

Their aggregate remuneration comprised:

	2017	2016
Staff costs during the year (including directors)	£	£
Wages and salaries	14,612,914	17,617,407
Social security costs	1,987,469	4,033,948
Pension costs	368,423	449,977
Share-based payments	3,730,023	3,500,939
	20,698,829	25,602,271

Directors' remuneration

	2017	2016
	£	£
Emoluments	1,281,719	1,618,576
Value of Company pension contributions to money purchase schemes	36,325	41,429
	1,318,044	1,660,005

	2017	2016
	No.	No.
The number of directors who are members of money purchase pension schemes	3	5

Remuneration of the highest paid directors	2017	2016
	£	£
Emoluments	662,688	629,266
Value of Company pension contributions to money purchase schemes	16,200	16,000
	678,888	645,266

The highest paid director did not exercise any share options in the year and had no shares receivable under long term incentive schemes.

7. Interest income

	2017	2016
	£	£
Interest income from ArcelorMittal Treasury SNC	145,346	257,802

8. Tax on profit on ordinary activities

(a) Analysis of tax charge on ordinary activities

	2017	2016
	£	£
Corporation tax		
United Kingdom corporation tax at 19.25% (2016: 20%)	1,494,744	1,951,427
Tax over provided in prior year	(243,338)	(186,608)
Total current tax (note 8b)	1,251,406	1,764,819
Deferred tax:		
Origination and reversal of timing differences	(685,031)	(1,016,321)
Adjustments in respect of previous periods	(3,720)	(3,329)
Effect of changes in tax rates	(139,482)	175,542
Tax on profit on ordinary activities	423,173	920,713

(b) Reconciliation of current tax charge for the period

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19.25%. The differences are reconciled below:

	2017	2016
	£	£
Profit on ordinary activities before taxation	4,181,481	4,602,921
Profit on ordinary activities multiplied by standard rate of:		
Corporation tax of 19.25% (2016: 20%)	804,792	920,584
Disallowed expenses and non-taxable income	4,921	14,524
Share option timing differences	823,988	850,010
Capital allowances in advance of depreciation for the period	654	2,207
Movement in short term timing differences	3,593	(11,440)
Higher tax rates on overseas earnings	(139,482)	175,542
Tax over provided in prior year	(247,060)	(186,608)
	1,251,406	1,764,819

(c) **Deferred tax**

	2017 £	2015 £
Capital allowances in advance of depreciation	(11,043)	(10,389)
Timing differences in respect of share-based payments	2,087,872	1,263,884
Other	7,887	2,988
Deferred tax asset	2,084,716	1,256,483

	2017 £	2016 £
At 1 January	1,256,483	412,377
Prior year adjustment	3,720	3,329
Profit and loss account movement arising during the year	824,513	840,777
At 31 December	2,084,716	1,256,483

9. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2016	5,783,408	1,386,151	1,801,445	8,971,004
Additions	-	735	3,295	4,030
At 31 December 2016	5,783,408	1,386,886	1,804,740	8,975,034
Additions	-	-	20,418	20,418
At 31 December 2017	5,783,408	1,386,886	1,825,158	8,995,452
Accumulated depreciation				
At 1 January 2016	5,751,265	1,089,263	1,649,960	8,490,488
Charge for the year	-	33,497	39,677	73,174
At 31 December 2016	5,751,265	1,122,760	1,689,637	8,563,662
Charge for the year	-	28,516	31,703	60,219
At 31 December 2017	5,751,265	1,151,276	1,721,340	8,623,881
Carrying amount				
At 31 December 2016	32,143	264,126	115,103	411,372
At 31 December 2017	32,143	235,610	103,818	371,571

10. Intangible assets

The Company bought the right of use of Box 30 in Royal Albert Hall during 2007. It has a remaining lease term of 852 years which gives the right to use the seats in this box.

	Ownership rights £
Cost	
At 1 January 2016	1,000,000
At 31 December 2016	1,000,000
At 31 December 2017	1,000,000
Accumulated amortisation	
At 1 January 2016	8,120
Change for the year	1,160
At 31 December 2016	9,281
Change for the year	1,160
At 31 December 2017	10,441
Carrying amount	
At 31 December 2016	990,719
At 31 December 2017	989,559

11. Debtors amounts falling due within one year

	2017	2016
	£	£
Amounts owed by Group undertakings		
ArcelorMittal S.A.	16,925,518	12,097,165
ArcelorMittal Treasury SNC	8,226,884	11,113,530
ArcelorMittal Luxembourg	952,790	957,169
ArcelorMittal Shipping	85,681	267,370
ArcelorMittal Mining	65,818	557,430
ArcelorMittal Europe SA	59,869	30,750
ArcelorMittal Commercial UK Limited	35,346	-
Mittal Steel Liberia Holdings LIM	2,492	-
Sutherwise	-	(7,975)
ArcelorMittal Orbit	-	69,167
Total: amounts owed by Group undertakings	26,354,397	25,084,606
Prepayments	1,444,217	1 824 498
Deferred tax asset	2,084,716	1,256,483
Other receivables	577,195	134,733
VAT Recoverable	50,151	108,363
	30,510,676	28,408,684

12. Creditors amounts falling due within one year

	2017	2016
	£	£
Payroll liabilities	6,757,159	6,148,996
National Insurance provision on share-based payments	1,701,008	1,876,846
Corporation tax	1,570,284	1,233,254
Trade creditors and accrued liabilities	358,322	861,337
Other taxes and social security	37,602	418,893
Amounts owed to group companies	32,861	13,618
	10,457,237	10 552 943

13. Operating leases arrangements

	2017	2016
	£	£
Lease payments under operating leases		
recognised as an expense in the year	2,177,194	2,161,461

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:

	2017	2016
	£	£
Land and buildings		
Operating leases which expire:		
Within one year	2,719,948	2,144,956
Between two and five years	10,879,790	10,354,217
In over five years	1,539,215	3,685,427
Total	15,138,953	16,184,600

	2017 £	2016 £
Vehicles		
Operating leases which expire:		
Within one year	-	1,094
Total	-	1,094
Equipment		
Operating leases which expire:		
Within one year	14,251	15,411
Between two and five years	-	15,411
Total	14,251	30,822

14. Related party transactions

The Company has taken advantage of the exemption in paragraph 8 (j) (k) of FRS 101 from disclosing transactions with related parties that are members of ArcelorMittal Group.

Transactions with related parties that are not wholly-owned Group companies are presented below.

Nature of transactions

All related party transactions were executed on normal commercial terms and conditions.The nature of the transactions was the provision of technical and commercial support services.

The Company provided management consultancy services to PT Ispat Indo and APERAM SA, related parties that are not part of ArcelorMittal Group. Management fees of £50,000 (2016: 50,000) and £0 (2016: 32,094) were charged in respect of these services provided to PT Ispat Indo and APERAM SA, respectively.

The balance receivable from PT Ispat Indo and APERAM SA was £2,500 (2016: £15,845), and £0 (2016: £32,094) as of December 31, 2017, respectively.

15. Called-up share capital

	2017 £	2016 £
Authorised:		
ordinary shares of £1 each	1,500,000	1,500,000

	2017		2016	
	Number	£	Number	£
Called up, allotted and fully paid	1,500,000	1,500,000	1,500,000	1,500,000

16. Employee benefits

The Company contributes to a defined contribution retirement benefit schemes for all qualifying employees. The assets of the scheme are held separately in a fund under the control of trustees. The contributions of the Company cease when an employee retires, leaves the scheme or leaves the Company.

The total pension cost charged to the profit and loss account was £368,423 and £449,977 as of 31 December, 2017 and 2016, respectively.

17. Share based payments

Stock Option Plans

In 2002-2010, certain of the Company's key employees were granted equity-based incentive plan in the form of a stock option plan called the Global Stock Option Plan as issued by ArcelorMittal, the parent company of the ArcelorMittal Group. The exercise price of each option equals not less than the fair market value of ArcelorMittal shares on the grant date, with a maximum term of 10 years. The options vest either rateably upon each of the first three anniversaries of the grant date, or, in total, upon the death, disability or retirement of the participant.

The fair values for options and other share-based compensation is recorded as an expense in the profit and loss account over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting. The fair value of each option grant to purchase ArcelorMittal common shares is measured on the date of grant using the binomial option pricing model. The expected life of the options is estimated by observing general option holder behaviour and actual historical lives of ArcelorMittal stock option plans. In addition, the expected annualised volatility has been set by reference to the implied volatility of options available on ArcelorMittal shares in the open market, as well as, historical patterns of volatility.

No options were granted or exercised during the years ended 31 December 2016 and 2017.

All options granted in accordance with the stock option plans were vested as of December 31, 2013. Therefore, no compensation expense was recognised for stock option plans during the years ended 31 December 2016 and 2017.

The options outstanding at 31 December 2017 had exercise prices ranging from $91.98 to $235.32 with a weighted average remaining contractual life of 1.62 years.

Share Unit Plan

In 2011 and onward, ArcelorMittal provided new retention share units (each, an "RSU") and Performance Share Units (each, a "PSU") incentive plan subject to "cliff vesting" after three years vesting on the third anniversary of the grant contingent upon the continued active employment of the eligible employee within the ArcelorMittal Group. There is no exercise price payable upon vesting.

The main objective of the RSU Plan is to provide a retention incentive to the eligible employees. As such, it replaces the stock options granted under the Global Stock Option Plan in place until 2010 included. Performance criteria are inherent in both the RSU and the PSU due to the link to the Company's share price. The main objective of the PSU Plan is to be an effective performance-enhancing scheme based on the achievement of the Company's objectives. Both Plans are intended to promote the alignment of interests between the Company's shareholders and eligible employees by allowing them to participate in the success of the Company.

On May 22, 2017, ArcelorMittal completed the consolidation of each three existing shares in ArcelorMittal without nominal value into one share without nominal value. As a result of this reverse stock split, the outstanding number of stock options, PSUs and RSUs per employee has been recast for prior periods.
The share units outstanding at 31 December 2017 have a weighted average remaining contractual life of 2.20 years.

The fair value at the date of grant of the share units that vested during 2017 was $50.55 and $30.84 and vested on 27 June and 17 December, respectively. The fair value at the date of grant of the share units that vested during 2016 was $37.11 and $49.80 and vested on 29 March and 28 June, respectively.

In 2014, 28,171 PSU were granted in December with a fair value per share of $30.84 and will vest on 1 January, 2018.

In 2015, 124,919 PSU were granted in June with a fair value per share of $25.59 and will vest on 30 June 2018. Additionally, 27,620 RSU and 24,119 PSU were granted in December 2015 with a fair value per share of $11.49 and will vest on 18 December, 2018 and 1 January, 2019, respectively.

In 2016, ArcelorMittal made two ("Special Grant") of PSU to qualifying employees. The first Special Grant included a total of 467,400 PSU granted in June and will vest in two parts, 233,700 PSU with a fair value per share of $13.74 will vest on 1 January, 2019 and 233,700 PSU with a fair value per share of $13.17 will vest on 1 January 2021. The second Special Grant included a total of 306,536 PSU granted in June and will vest in two parts, 153,268 PSU with a fair value per share of $10.68 will vest on 1 January, 2020 and 153,268 PSU with a fair value per share of $16.62 will vest on 1 January 2022.

In 2017, 90,084 PSU and 67,837 PSU were granted in December and will vest on 1 January, 2021 with a fair value per share of $22.85 and $18.42, respectively.

The fair value for the shares allocated to the beneficiaries is recorded as an expense in the profit and loss account over the relevant vesting or service periods. The compensation expenses recognised were £3,500,939 and £3,730,023for the years ended 31 December 2016 and 31 December 2017, respectively.

18. Subsequent events

There have not been any significant events after the Balance Sheet date which require disclosure in or an adjustment to the Financial Statements.

19. Capital contribution

These comprise contributions received from the immediate parent company of ArcelorMittal Limited, at the time. The contributions did not confer any rights to the share capital of the company on the donor company.

20. Ultimate parent company and controlling party

The immediate and ultimate parent company and controlling party is ArcelorMittal, registered in Luxembourg.

Parent of the smallest and the largest group of which the Company is a member for which Group accounts are prepared is ArcelorMittal. Copies of its Group financial statements, which include the financial statements of ArcelorMittal Limited, are available from ArcelorMittal, 24 – 26 boulevard d'Avranches, L-1160 Luxembourg, Luxembourg on www.arcelormittal.com