

**Company Registration No. 03335595**

**ArcelorMittal Limited**

**Annual Report and Financial Statements**

**As at 31 December 2022**

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**ArcelorMittal Limited**  
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**Directors**

N V K Davidson  
O Otradovec  
A Van Ysendyck

**Registered Office**

7<sup>th</sup> 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**

Ernst & Young LLP  
Statutory auditor  
1 More London Place  
London  
SE1 2AF  
United Kingdom

## ArcelorMittal Limited

### Strategic report

The directors present their Strategic report for the year ended 31 December 2022 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 financial statements have been restated for a prior year correction to 2021 relating to the accounting for equity settled shared based payments. Management have taken the decision that due to the costs being recharged to the Parent, for the purposes of UKGAAP, accounting recognition is with the Parent rather than the service company.

The directors are satisfied with the Company's performance in the year as it is aligned with the expected forecast and budgets of the period, the directors believe that the key performance indicators are revenue growth and profitability and will continue to be guided by its immediate parent company in seeking further opportunities for growth.

Turnover during the year was £28,561,023 (2021, £35,278,608 Restated) the reduction in levels of rechargeable operating expenditure in particular staff costs resulted in lower revenue in 2022. Operating expenses comprise mainly salary costs, rent, rates, utilities, maintenance costs, depreciation and professional fees. The profit for the year, after taxation, amounted to (£3,067,445) (2021, £3,872,628 restated). The impact of the prior year adjustment has seen an increase in the tax charge from the release of our deferred tax asset. The net current assets amounted to £8,259,260 (2021, £5,986,403).

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 policies have been described below.

#### Key Performance indicators (KPIs)

The directors consider the KPIs to be turnover and profit after taxation.

The company provides services to affiliated companies and for this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance, or position of its business. There are no non-financial key performance indicators.

#### Future Developments

The Directors believe that this level of activity will continue for the foreseeable future.

The Company's financial performance is presented in the Statement of Profit and Loss on page 9.

#### 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.

## ArcelorMittal Limited Strategic report

### 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.


#### Going concern

The Company had net assets of £13,206,201, net current assets of £8,259,260 at the year end and generated a profit of £3,067,445 the year. The Directors have reviewed cash flow forecasts prepared for a period of 12 months from the date of approval of these accounts which show trading and cash generation to have continued at a level similar to 2022, and more pessimistic scenarios designed to test the ability of the business to withstand exceptional operating conditions.


On the basis of their assessment of the Company's financial position, forecast cash flows and sensitivity analysis thereon, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the next 12 months from the date of signing the financial statement. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The strategic report was approved by the Board of Directors on 2<sup>nd</sup> April 2024 and signed on behalf of the Board of Directors.

08-04-24

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Nicola Davidson

N V K Davidson  
Director

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anne van ysendyck

A Van Ysendyck  
Director

## ArcelorMittal Limited Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2022.

The Strategic Report on pages 2 and 3 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.

### Results and dividends

The directors do not recommend a payment of dividend for 2022 (2021: £ 0).

### Directors

The directors who served the Company during the year except as noted and up to the date of signing the financial statements were as follows:

N V K Davidson  
O Otradovec  
A Van Ysendyck

### 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 date 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.

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

### Subsequent events

Other than as disclosed in note 21 to the accounts, there are no events subsequent to the year end that requires adjustment or disclosure in the financial statements.

### Independent auditor

Ernst & Young LLP are the newly appointed auditors and have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

These financial statements were approved by the Board of Directors on 2<sup>nd</sup> April 2024 and signed on behalf of the Board of Directors 08-04-24

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*Nicola Davidson*

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Nicola Davidson

N V K Davidson  
Director

DocuSigned by:

*anne van ysendyck*

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anne van ysendyck

A Van Ysendyck  
Director

## ArcelorMittal Limited

### Directors' responsibility statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom generally accepted accounting practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- 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.


#### Responsibility statement

We confirm that to the best of our knowledge:

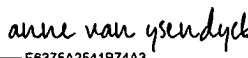
- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework", give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the board of directors on 2<sup>nd</sup> April 2024 and is signed on its behalf by:

08-04-24

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NICOLA Davidson

N V K Davidson  
Director

DocuSigned by:  
  
E6375A2541B74A3...  
anne van ysendyck

A Van Ysendyck  
Director

## **Independent auditor's report to the members of ArcelorMittal Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCELORMITTAL LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

We have audited the financial statements of ArcelorMittal Limited for the year ended 31 December 2022 which comprise of Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 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.

##### **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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

##### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report to the members of ArcelorMittal Limited**

### **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 directors' report have been prepared in accordance with applicable legal requirements.

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

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 material misstatements in the strategic report or directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

## Independent auditor's report to the members of ArcelorMittal Limited

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

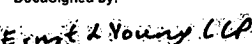
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework FRS101 "Reduced Disclosure Framework", Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, those laws and regulations relating to health and safety and employee matters and relevant tax compliance regulations in the jurisdictions in which the Company operates, including the United Kingdom.
- We understood how ArcelorMittal Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures. We corroborated our enquiries through the review of the following documentation:
  - all minutes of board meetings held during the year;
  - any relevant correspondence with local tax authorities;
  - and any relevant correspondence received from regulatory bodies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations.

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

### 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.

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Oxana Dorrington

Signature  
Oxana Dorrington (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London, United Kingdom

Date: 10 April 2024

**ArcelorMittal Limited**  
**Profit and loss account**  
**For the year ended December 31, 2022**

		<b>2022</b>	<b>2021 (Restated)</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	3	28,561,023	35,278,608
<b>Operating expenses</b>		<u>(24,645,002)</u>	<u>(29,969,504)</u>
<b>Operating profit</b>	4	3,916,021	5,309,104
<b>Interest income</b>	7	56,652	16,210
<b>Interest payable</b>	8	<u>(93,819)</u>	<u>(121,954)</u>
<b>Profit on ordinary activities before taxation</b>		3,878,854	5,203,360
<b>Tax on profit on ordinary activities</b>	9	<u>(811,409)</u>	<u>(1,330,732)</u>
<b>Profit on ordinary activities after taxation</b>		<u>3,067,445</u>	<u>3,872,628</u>

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.

The accompanying notes are an integral part of the financial statements.

**ArcelorMittal Limited**  
**Balance sheet**  
**As at December 31, 2022**

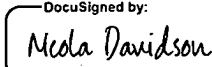
		2022	2021 (Restated)
	Notes	£	£
<b>Non-current assets</b>			
Deferred tax	9	807,593	949,637
Intangible assets	10	983,759	984,919
Tangible assets	11	241,100	252,713
Right of Use assets	15	15,153,578	2,843,474
Total non-current assets		17,186,030	5,030,743
<b>Current assets</b>			
Trade & other receivables	12	19,926,751	26,012,030
Cash at bank and in hand		398,825	631,443
Total current assets		20,325,576	26,643,473
<b>Créditors: amounts falling due within one year</b>	13	(12,066,316)	(20,657,070)
<b>Net current assets</b>		8,259,260	5,986,403
<b>Total assets less current liabilities</b>		25,445,290	11,017,146
<b>Creditors: amounts falling due after more than one year</b>	14	(12,239,089)	(878,391)
<b>Net Assets</b>		13,206,201	10,138,755
<b>Capital and reserves</b>			
Called up share capital	17	1,500,000	1,500,000
Capital contribution		10,567,520	10,567,520
Profit & Loss account		1,138,681	(1,928,764)
<b>Equity shareholders' funds</b>		13,206,201	10,138,756

The accompanying notes are an integral part of the financial statements.

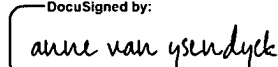
The financial statements of ArcelorMittal Limited, registered number 03335595 were approved by the Board of Directors and authorised for issue on 2<sup>nd</sup> April 2024.

They were signed on its behalf by:

08-04-24

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 Nicola Davidson

N V K Davidson  
 Director

DocuSigned by:  
  
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 anne van ysendyck

A Van Ysendyck  
 Director

**ArcelorMittal Limited**  
**Statement of changes in equity**  
**For the year ended December 31, 2022**

	Share capital	Profit and Loss	Capital contribution	Total shareholders' funds
	£	£	£	£
As at 31 December 2020	1,500,000	(1,282,590)	10,567,520	10,784,930
PY Restatement		(4,518,802)		(4,518,802)
At 1 January 2021 (Re-stated)	1,500,000	(5,801,392)	10,567,520	6,266,128
Profit and total comprehensive income for the year	-	3,872,628	-	3,872,628
Capital Contribution				
Dividends	-	-	-	-
At 31 December 2021	<u>1,500,000</u>	<u>(1,928,764)</u>	<u>10 567 520</u>	<u>10,138,756</u>
At 1 January 2022	1,500,000	(1,928,764)	10 567 520	10,138,756
Profit and total comprehensive income for the year	-	3,067,445	-	3,067,445
Capital Contribution				
Dividends	-	-	-	-
At 31 December 2022	<u>1 500 000</u>	<u>1,138,681</u>	<u>10 567 520</u>	<u>13,206,201</u>

The accompanying notes are an integral part of the financial statements.

# ArcelorMittal Limited

## Notes to the accounts

### For the year ended December 31, 2022

#### 1. General information

ArcelorMittal Limited ("the Company") is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. 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**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have a material impact on the company's financial statements.

#### 2. Significant accounting policies

##### 2.1 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 SA. The Group accounts of ArcelorMittal SA are available to the public and can be obtained from ArcelorMittal SA, 24-26 boulevard d'Avranches, L-1160 Luxembourg, Luxembourg.

##### 2.2 Going concern

The Company had net assets of £13,206,201, net current assets of £8,259,260, cash of £449,449 at the year end and generated a profit after tax of £3,067,445 the year. The Directors have reviewed cash flow forecasts prepared for a period of 1 months from the date of approval of these accounts which show trading and cash generation to have continued at a level similar to 2022, and more pessimistic scenarios designed to test the ability of the business to withstand exceptional operating conditions.

On the basis of their assessment of the Company's financial position, forecast cash flows and sensitivity analysis thereon, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the next 12 months from the date of signing the financial statement. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### 2.3 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.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

# ArcelorMittal Limited

## Notes to the accounts

### For the year ended December 31, 2022

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

##### 2.4 Intangible assets

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

##### 2.5 Loans and other financial assets

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Loans and other financial assets comprise receivables from other ArcelorMittal group entities, advances to suppliers and other receivables.

##### 2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost plus accrued interest, which approximates fair value.

##### 2.7 Turnover

Turnover, which is stated net of value added tax, represents amounts derived from the services which fall within the Company's ordinary activities.

IFRS 15 "Revenue from Contracts with Customers" is applied to revenue recognition criteria using a unified five step model for determining the timing, measurement, and recognition of revenue. The focus of the new standard is to recognise revenue as performance obligations are met rather than based on the transfer of risks and rewards.

The Company's revenue is predominantly derived from the single performance obligation which is the provision of technical and commercial support services to affiliated companies mainly in the ArcelorMittal Group in which the transfer of risks and rewards of ownership and the fulfilment of the Company's performance obligation occur at the same time.

##### 2.8 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 profit or loss 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 reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

##### 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 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 reporting 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 reporting date.

# ArcelorMittal Limited

## Notes to the accounts

### For the year ended December 31, 2022

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

##### 2.8 Taxation (Continued)

###### Deferred tax

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

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

Current tax and deferred tax for the year

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

##### 2.9 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.

##### 2.10 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.

##### 2.11 Leases

The company has applied IFRS 16 in 2019 using the modified retrospective approach and therefore the comparative information has not been restated. This was reported under IAS 17 for 2018. The company leases an office and some rental contracts which are typically made for fixed periods of 1 to 6 years but may have extension options.

Under the policy applicable before 1 January 2019, the company assessed leases based on transfer of risks and rewards of ownership. Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease agreements were charged to the income statement on a straight-line basis over the period of the lease.

From 1 January 2019, under IFRS 16, a right-of-use asset and a corresponding lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured by reference to the present value of the lease payments due over the contractual lease term. These lease payments are discounted using an incremental borrowing rate set on a country-specific basis by the ultimate parent company. The weighted average incremental borrowing rate on adoption was 2.51%. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term. Total payments made in the year against leased assets was £2,121,235.

On transition to IFRS 16, right-of-use assets have been recognised (with a corresponding lease liability) for all existing operating leases based upon the remaining lease term. Assets held under lease arrangements for which risks, and rewards of ownership are not transferred to the Company are not recognised in the balance sheet. The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases (those with a lease term of 12 months or less) and leases of low-value assets (which relate primarily to Office printer equipment). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

# ArcelorMittal Limited

## Notes to the accounts

### For the year ended December 31, 2022

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

##### 2.12 Financial instruments

###### 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.

##### 2.12 Financial instruments (Continued)

###### 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.

##### 2.13 Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

###### *Non-financial assets*

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

###### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

##### 2.14 Interest expense

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

##### Critical accounting judgements and key sources of estimation uncertainty

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 directors consider that there are no critical accounting judgements nor key sources of estimation uncertainty made by management in the preparation of these statutory accounts.

#### 3. Turnover

The company's revenue and operating profit relate to its principal activity. Revenue is split by geographical segment as follows:

	2022	2021 (Restated)
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**ArcelorMittal Limited**  
**Notes to the accounts**  
**For the year ended December 31, 2022**

	£	£
United Kingdom	2,743,997	2,575,910
Rest of the world	25,817,026	32,702,698
	<u>28,561,023</u>	<u>35,278,608</u>

**4. Operating profit**

There are no operating segments.

	2022 £	2021 (Restated) £
This is stated after charging/(crediting):		
Staff costs (see note 6)	17,862,579	24,137,875
Depreciation & Amortisation (see note 10- 11, 15)		
Amortisation on intangible assets	1,160	1,160
Depreciation on tangible assets	28,595	35,375
Depreciation on right of use of asset	2,182,549	2,007,158
Foreign exchange loss	<u>12,325</u>	<u>1,658</u>

**5. Auditor's remuneration**

Fees payable to Deloitte and their associates for the audit of the Company's annual accounts were £22,560 (2021: £21,267).

**6. Staff costs**

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

	2022 No.	2021 No.
Management staff	9	9
Monthly average number of employees during the year	<u>50</u>	<u>43</u>
	<u>59</u>	<u>52</u>

Their aggregate remuneration comprised:

	2022 £	2021 (Restated) £
Staff costs during the year (including directors)		
Wages and salaries	14,595,799	20,356,183
Social security costs	2,776,492	3,326,453
Pension costs	490,288	455,239
Share-based payments (see note 16)	0	0
	<u>17,862,579</u>	<u>24,137,875</u>

**Directors' remuneration**

	2022 £	2021 £
Emoluments	2,031,509	1,635,848
Value of Company pension contributions to money purchase schemes	<u>22,102</u>	<u>30,509</u>
	<u>2,053,611</u>	<u>1,666,357</u>

	2022 No.	2021 No.
The number of directors who are members of money purchase pension schemes	<u>3</u>	<u>3</u>

**ArcelorMittal Limited**  
**Notes to the accounts**  
**For the year ended December 31, 2022**

Remuneration of the highest paid directors	2022	2021
	£	£
Emoluments	1,069,679	858,541
Value of Company pension contributions to money purchase schemes	-	6,120
	<u>1,069,679</u>	<u>864,661</u>

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 receivable**

	2022	2021
	£	£
Interest receivable from ArcelorMittal Treasury SNC	<u>56,652</u>	<u>16,210</u>

**8. Interest payable**

	2022	2021
	£	£
Interest payable	(1,591)	21,485
Interest expenses on leases	95,410	100,469
Total interest payable	<u>93,819</u>	<u>121,954</u>

**9. Tax on profit on ordinary activities**

**(a) Analysis of tax charge on ordinary activities**

	2022	2021
	£	(Restated) £
Corporation tax		
United Kingdom corporation tax at 19.00% (2020: 19%)	658,829	1,698,733
Tax under/(over) provided in prior year	10,536	(36,541)
Total current tax (note 9b)	<u>669,365</u>	<u>1,662,192</u>
Deferred tax:		
Origination and reversal of timing differences	117,112	(335,911)
Adjustments in respect of previous periods	(12,050)	4,448
Effect of changes in tax rates	36,982	
Rounding	0	3
Tax on profit on ordinary activities	<u>811,409</u>	<u>1,330,732</u>

**(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%. The differences are reconciled below:

	2022	2021
	£	(Restated) £
Profit/(loss) on ordinary activities before taxation	<u>3,878,854</u>	<u>5,203,360</u>
Profit on ordinary activities multiplied by standard rate of:		
Corporation tax of 19.00% (2020: 19%)	736,982	988,638
Disallowed expenses and non-taxable income	38,957	59,592

**ArcelorMittal Limited**  
**Notes to the accounts**  
**For the year ended December 31, 2022**

NIC timing differences	(1,513)	314,595
Higher tax rates on overseas earnings	36,982	4,445
Tax (over)/under provided in prior year		(36,541)
Rounding	0	3
	<u>811,409</u>	<u>1,330,732</u>

**9. Tax on profit on ordinary activities (continued)**

**(c) Deferred tax**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>(Restated)</b>
	<b>£</b>	<b>£</b>
Capital allowances in advance of depreciation	(21,676)	(18,535)
Timing differences in respect of share-based payments	829,272	968,172
Other	(3)	
Deferred tax asset	<u>807,593</u>	<u>949,637</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>(Restated)</b>
	<b>£</b>	<b>£</b>
At 1 January	949,638	618,178
Prior year adjustment		
Profit and loss account movement arising during the year	(142,042)	331,460
Other	(3)	
At 31 December	<u>807,593</u>	<u>949,638</u>

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

**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 847 years which gives the right to use the seats in this box.

	<b>Ownership rights</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022	<u>1,000,000</u>
Additions	
At 31 December 2022	<u>1,000,000</u>
<b>Accumulated amortisation</b>	
At 1 January 2022	<u>15,081</u>
Change for the year	<u>1,160</u>
At 31 December 2022	<u>16,241</u>
<b>Carrying amount</b>	
At 31 December 2022	<u>983,759</u>
At 31 December 2021	<u>984,919</u>

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**11. Tangible fixed assets**

	<b>Leasehold property £</b>	<b>Fixtures and fittings £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2022	5,783,408	1,400,613	1,866,358	9,050,379
Additions	-	-	16,981	16,981
Disposals	-	-	-	-
At 31 December 2022	5,783,408	1,400,613	1,883,339	9,067,360
<b>Accumulated depreciation</b>				
At 1 January 2022	5,751,265	1,232,759	1,813,642	8,797,666
Disposals	-	-	-	-
Charge for the year	-	14,059	14,535	28,594
At 31 December 2022	5,751,265	1,246,818	1,828,177	8,826,260
<b>Carrying amount</b>				
At 31 December 2022	32,143	153,795	55,162	241,100
At 31 December 2021	32,143	167,854	52,716	252,713

**12. Trade & other receivables**

amounts falling due within one year.

	<b>2022 £</b>	<b>2021 £</b>
<b>Amounts owed by Group undertakings</b>		
ArcelorMittal S.A.	14,008,596	14,066,357
ArcelorMittal Treasury SNC	449,453	9,282,083
ArcelorMittal Shipping	820,799	272,794
ArcelorMittal Mining	1,689,036	485,927
ArcelorMittal Commercial UK Limited	114,540	114,540
AM Sheffield	-	20,841
AMDS	-	27,788
AM TBT	-	90,226
AM Kent Wire	-	20,841
ISPAT INDO	23,333	10,833
AM South Africa	-	-
Total: amounts owed by Group undertakings	17,105,757	24,392,230
<b>Prepayments &amp; Accrued Income</b>	1,381,649	1,382,459
Current Tax	-	-
Other receivables	892,718	84,476
VAT Recoverable	546,627	152,865
	19,926,751	26,012,030

**ArcelorMittal Limited**  
**Notes to the accounts**  
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**12. Trade accounts receivables and others (continued)**

The Company's trade accounts receivables represents related party receivables recorded at their transaction price and does not carry any interest. ArcelorMittal policy is to maintain an allowance for lifetime expected credit loss at an amount that it considers to be a reliable estimate of expected credit losses resulting from the inability of its customers to make required payments. In judging the adequacy of the allowance for expected credit losses, the Company considers multiple factors including historical bad debt experience, the current and forward-looking economic environment, and the aging of the receivables. Recoveries of trade receivables previously reserved in the allowance for expected credit losses are recognized as gains in selling, general and administrative expenses. The Company's policy is to record an allowance for expected lifetime credit losses and a charge in selling, general and administrative expense when a specific account is deemed uncollectible.

The debtor balance comprises non-trade Receivable with companies within the Group. These Group companies are assessed at each reporting date as to their ability to repay outstanding balances. The amounts owed by Group companies at 31 Dec 2022 comprise £17,105,757 (2021: £24,392,230).

The counterparty credit risk of trade and other receivables is reviewed on a regular basis and assessed for impairment as follows: At inception the receivable is recorded net of expected 12-month credit losses. If a significant increase in the credit risk occurs during the lifetime, credit losses are recorded in the profit and loss account and the effective interest is calculated using the gross carrying amount of the asset. If a loss event occurs, the effective interest is calculated using the amortised cost of the asset net of any credit losses.

In consideration of both policy and impairment review analysis conducted annually on related parties, the Company considers that the credit risk has not increased significantly since initial recognition to necessitate a credit loss to be recognised on amounts owed by Group companies.

**13. Creditors: amounts falling due within one year**

	2022	2021
	£	£
Payroll liabilities	4,878,613	12,175,684
National Insurance provision on share-based payments	3,316,214	3,871,823
Lease liabilities (note 15)	2,124,763	2,071,487
Trade creditors and accrued liabilities	214,979	949,026
Other taxes and social security	85,040	79,929
Amounts owed to group companies	103,924	72,595
Corporation Tax	1,342,783	1,436,526
	<u>12,066,316</u>	<u>20,657,070</u>

**14. Creditors: amounts falling due after more than one year**

	2022	2021
	£	£
Lease liabilities (note 15)	12,239,089	878,391
	<u>12,239,089</u>	<u>878,391</u>

**ArcelorMittal Limited**  
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**For the year ended December 31, 2022**

**15. Leases**

The company has lease contracts for its office premises. The amounts recognised in the financial statements in relation to the leases are as follows:

**(i) Amounts recognised in the statement of financial position**

The balance sheet shows the following amounts relating to leases:

	Note	31-Dec 2022	31-Dec 2021
<b>Right-of-use assets</b>			
Buildings		15,153,578	2,843,474
<b>Lease liabilities</b>			
Current		2,124,763	2,071,487
Noncurrent		12,239,089	878,391
		<u>14,363,853</u>	<u>2,949,879</u>

The income statement shows the following amounts relating to leases:

	2022	2021
<b>Depreciation charge of right-of-use assets</b>		
Buildings	(2,182,549)	(2,007,158)
	<u>(2,182,549)</u>	<u>(2,007,158)</u>

**(iii) Amounts recognised in the income statement**

The income statement shows the following amounts relating to leases:

	2022	2021
<b>Depreciation charge of right-of-use assets</b>		
Buildings	(2,182,549)	(2,007,158)
Interest expense (included in finance cost)	(95,410)	(100,469)
Expense relating to short-term leases (included in administrative expenses)	()	(6,712)
Expense relating to leases of low- value assets that are not shown above as short-term leases (included in administrative expenses)		
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-	-
Future minimum lease payments as at 31 December 2021 are as follows:		
Not later than one year	3,825,848	2,121,235
Later than one year and not later than five years	9,414,400	883,848
Later than five years	4,118,800	
<b>Total gross payments</b>	<u>17,359,048</u>	<u>3,005,083</u>

**ArcelorMittal Limited**  
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**For the year ended December 31, 2022**

Impact of finance expenses	(2,995,444)	(55,205)
Carrying amount of liability	14,363,604	2,949,878

**16. Prior period adjustment**

The financial statements have been restated for a prior year correction relating to the accounting for equity settled shared based payments. Management have taken the decision that due to the costs being recharged to the Parent, for the purposes of UKGAAP it was agreed that the accounting recognition will be with the Parent. The company has in consideration of this view taken the decision to reverse both the accounting for share-based payments expense and associated revenues in the financial statements. The impact of this has been to reduce the profit for the year for 2021 of £580,808 with a further reduction in total equity of £4,518,802 from the release of the associated deferred tax asset.

The amount of the correction for each line item of the income statement affected was:

	As Reported 2021	Adj	Restated 2021
Revenue	38,157,335	(2,878,726)	35,278,608
Operating costs	(32,848,231)	2,878,726	(29,969,504)
Tax	(749,924)	(580,808)	(1,330,732)

The amount of the correction for each line item of the Balance sheet was:

	As Reported 2021	Adj	Restated 2021
Deferred Tax Asset	6,049,248	(5,099,611)	949,637

The amount of the correction for each line item of the Statement of changes in equity:

	As Reported 2021	Adj	Restated 2021
Retained Earnings	1,282,590	4,518,802	5,801,392

**17. 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, related parties that are not part of ArcelorMittal Group. Management fees of £50,000 (2021: 50,000) were charged in respect of these services provided to PT Ispat Indo.

The balance receivable from PT Ispat Indo and APERAM SA was £23,833 (2021: £10,833), as of December 31, 2022.

**ArcelorMittal Limited**  
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**18. Share capital**

	<b>2022</b>		<b>2021</b>	
	<b>£</b>		<b>£</b>	
<b>Authorised:</b>				
ordinary shares of £1 each	<u>1,500,000</u>		<u>1,500,000</u>	
	<b>2022</b>		<b>2021</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
Called up, allotted and fully paid	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>

**19. 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 £490,288 and £455,238 as of 31 December 2022 and 2021, respectively.

**20. Ultimate parent company and controlling party**

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

The largest and smallest group in which the results of the Company are consolidated is that headed by the Company's immediate parent company, ArcelorMittal SA. The consolidated financial statements of these groups are available to the public and may be obtained from ArcelorMittal SA, 24-26 Boulevard d'Avranches, L-1160 Luxembourg.

**21. Subsequent events**

The company performed a review of events after the balance sheet date through to the date of financial statements were issued.

Since the reporting date HMRC have conducted compliance checks related to tax returns from 2017, as at date of signing these checks remain ongoing with no conclusions reached which require an adjustment to the Financial Statements.