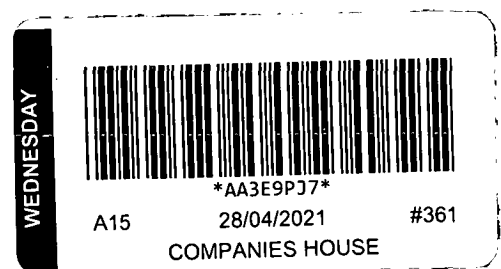


Company Registration No. 08812874

Stemcor Holdings 2 Limited

Report and Financial Statements

31 December 2020



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Corporate information

Directors

Andrew Checketts
Gerard Craggs
Steven Graf
Julian Verden

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered Office

Longbow House
14-20 Chiswell Street
London
EC1Y 4TW
United Kingdom

Strategic report

The directors present their strategic report for the year ended 31 December 2020.

Review of the business

The Company is a wholly owned subsidiary of Stemcor Global Holdings Limited ("the Group"). The Company's principal activity during the year is that of an investment holding company and management service provider. At the date of this report, the directors are not aware of any significant changes to the Company's activities in the year ahead.

The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal Risks and Uncertainties

Financing covenants

Stemcor Holdings 2 Limited's principal risk is that the Group fails to comply with its covenanted obligations under the terms of its financing agreements. A covenant breach could lead to a default, which in turn could close trade finance funding to the Group.

Covid-19

The rapid spread of the Covid-19 outbreak on a global scale at the start of 2020 resulted in the worldwide threat to health, the subsequent restrictions on travel and the disruption of many supply chains. The Group immediately recognised the significance of the pandemic and took a series of measures to mitigate the following risks.

- **Operational:** Throughout 2020 the safety of Stemcor employees was paramount. In line with local government guidelines, the Group transitioned employees to a combination of working from home and office rotations, where required, with safety measures. The remote and agile working arrangements were successfully supported by a robust IT infrastructure, with employees seamlessly accessing Group systems through a secure virtual desktop infrastructure.
- **Governance and risk management:** The Group enhanced its robust internal governance and risk management structures, with the Trading Management Team meeting weekly and focused on Covid-19 response activities. The meeting frequency and reporting of the Groups' other risk management related teams were also increased at the onset of the pandemic.
- **Counterparties:** The Group maintained its very close relationships with its lenders and credit insurers to ensure flexibility to secure support for customers and suppliers enabling the successful execution of trades.

At the start of 2021, local restrictions continue with many of the Group's employees, suppliers and customers still working from home, however with the rollout of the Covid-19 vaccines globally there is a potential pathway to return to a more normal trading environment.

Other

Other operating, financial and strategic risks which affect the Company are discussed in the Stemcor Global Holdings Limited's 2020 Annual Report, which does not form part of this report.



Andrew Checketts
Director
22 April 2021

Directors' report

The directors present their report for the year ended 31 December 2020.

Directors of the company

The current directors are shown on page 2.

Indemnities

The Company's articles of association provide, subject to the provisions the Companies Act, that the Company may indemnify any director or former director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

Results

The results for the year are set out on page 10.

Dividends

No dividends were paid during the year and no dividend is proposed in relation to 2020.

Future developments and subsequent events

The Company has no significant future developments. Subsequent events are reported in note 19.

Going Concern

After having considered the uncertainties disclosed in note 1, the directors believe that the Company has an expectation of managing these risks. Therefore, the directors have prepared the financial statements on a going concern basis.

Political donations

No political donations were made during the year.

Disabled employees

Stemcor takes seriously its legal and moral responsibilities in relation to employees who are disabled or who become disabled whilst employed by us. We understand our requirements to make reasonable adjustments for disabled applicants to the company. Employees who become disabled whilst working for us are given practical assistance with adapting to their new situation and we work with them to identify and provide reasonable adjustments to enable them to continue to be employed by us as far as possible. We are committed that disabled employees are assisted in training, career development and promotion opportunities so that their disabilities do not disadvantage them in accessing those opportunities.

Employee involvement

Stemcor understands that its success is dependent on the motivation and engagement of its employees. Communication and consultation are at the heart of engagement and this is delivered principally within each subsidiary unit of Stemcor through both formal and informal staff information and consultation methods. At a Group level, the global internal communications portal provides access to relevant communication about company performance, business information and community news.

Directors' report **(continued)**

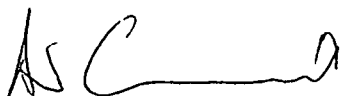
Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Reporting Regulations "SECR" were issued in 2018 and are designed to increase awareness of energy costs within organisations, provide data which could be used to drive energy efficiency measures and to help reduce organisation's impact on climate change. The regulations also seek to provide greater transparency for stakeholders. The regulations lay down requirements for which companies are being asked to report on energy use.

Stemcor Holdings 2 Limited has not met the thresholds laid down in the regulations in the 2020 financial year (i.e. the company has consumed less than 40MWH of energy). Stemcor Holdings 2 Limited is therefore classed as a Low Energy User as defined in the regulations and has no disclosure to make.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.



Andrew Checketts
Director
22 April 2021

Directors' responsibility statement

The directors are responsible for preparing the Strategic Report, Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 those financial statements, the directors are required to:

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

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

Independent auditor's report to the member of Stemcor Holdings 2 Limited

Opinion

We have audited the financial statements of Stemcor Holdings 2 Limited for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 2020 and of its loss 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 to the period ending May 2022 being a period of at least a year 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 there is 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 Stemcor Holdings 2 Limited (continued)

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 6 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 Stemcor Holdings 2 Limited (continued)

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.

Our approach was as follows:

- 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 (FRS 102) Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand the policies and procedures in place as well as reviewing corroborative evidence as necessary.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiring with management to understand the policies and procedures in place to detect fraud and action accordingly and by considering the risk of management override. We assessed that manual statutory adjustments were an area of the audit which might be more susceptible to fraud. We carried out audit procedures particularly focusing on any manual adjustments to the statutory financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing minutes from the Board of Directors, enquiring with key management personnel and testing journals identified by specific risk criteria.

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.

Ernst & Young LLP

William Binns (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
London

23 April 2021

Income Statement

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Administrative expenses		(3,709)	(4,485)
Other operating income	2	648	15
Administrative expenses - exceptional items	3	(1,454)	(5,565)
Operating loss	4	(4,515)	(10,035)
Interest receivable and similar income	7	2,168	3,662
Interest payable and similar charges	8	(2,005)	(3,428)
Loss on ordinary activities before taxation		(4,352)	(9,801)
Tax on loss on ordinary activities	9	(27)	(62)
Loss for the financial year		(4,379)	(9,863)

The results above are derived solely from continuing operations.

The accompanying notes are an integral part of the annual accounts.

Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 £'000	2019 £'000
Loss for the financial year	(4,379)	(9,863)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(4,379)	(9,863)

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Profit & loss account £'000	Shareholders' equity £'000
At 1 January 2019	-	146,190	(89,311)	56,879
Loss for the year	-	-	(9,863)	(9,863)
At 31 December 2019	-	146,190	(99,174)	47,016
Loss for the year	-	-	(4,379)	(4,379)
At 31 December 2020	-	146,190	(103,553)	42,637

Statement of Financial Position

At 31 December 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	1,243	821
Investments	11	91,877	102,913
		93,120	103,734
Current assets			
Debtors: amounts falling due within one year	12	28,263	21,686
Cash at bank and in hand		411	1,388
Creditors: amounts falling due within one year	13	(79,157)	(79,792)
Net current liabilities		(50,483)	(56,718)
Total assets less current liabilities		42,637	47,016
Net assets		42,637	47,016
Capital and reserves			
Share capital	15	-	-
Share premium account	16	146,190	146,190
Profit and loss account		(103,553)	(99,174)
Shareholders' equity		42,637	47,016

The accompanying notes are an integral part of the annual accounts.

The financial statements of Stemcor Holdings 2 Limited (registration number 08812874) were approved by the Board of Directors and authorised for issue on 22 April 2021.

They are signed on its behalf by:



Andrew Checketts
Director

Notes to the Financial Statements

1. Accounting policies

Stemcor Holdings 2 Limited (the Company) is a private limited company limited by shares incorporated in England and Wales. The Registered Office is Longbow House, 14-20 Chiswell Street, London, EC1Y 4TW.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to financial statements of companies for the year ended 31 December 2020.

Basis of preparation

The financial statements of Stemcor Holdings 2 Limited were authorised for issue by the Board of Directors on 22 April 2021. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in GBP which is the functional currency of the company and rounded to the nearest £'000.

Exemptions

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to presentation of cash flow statement and the aggregate remuneration of key management personnel. Where required equivalent disclosures are given in the consolidated financial statements of Stemcor Global Holdings Limited.

Going Concern

As part of the directors assessment of the Company's ability to continue as a going concern, a parental support letter has been received from Stemcor Global Holdings Limited outlining its agreement to provide assistance to the Company in meeting its liabilities as and when they fall due (but only to the extent that money is not otherwise available to meet such liabilities) for the period to the end of May 2022. The directors have also then considered the going concern assessment undertaken at the Stemcor Group level, with further details included in Stemcor Global Holdings Limited's Annual Report, which does not form part of this report.

After making reasonable enquiries and having carefully considered the matters described above, the directors believe that the Company is a sustainable business, will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence until at least the end of May 2022. Accordingly, the directors continue to adopt the going concern basis in preparing the Strategic Report, the Directors' Report and the financial statements of Stemcor Holdings 2 Limited.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

- Investment impairment – the Company performs an annual impairment review based on the net assets of the entity adjusted for projected trading performance where appropriate.

Notes to the Financial Statements

1. Accounting policies (continued)

Tangible Assets

Property, plant and equipment are stated at cost less provision for depreciation and accumulated impairment losses. Depreciation is provided on all plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows.

- Plant, equipment and vehicles are depreciated using the straight-line method at rates ranging from 4 to 10 years.

Taxation

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimates are required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of the exchange ruling at the balance sheet date. All differences are taken to the Income Statement.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement.

Pensions

Contributions to defined contribution schemes are charged to the Income Statement as they are payable. The principal pension arrangements are defined contribution schemes. The assets are held separately from those of the Company in independently administered funds. The costs were charged to the Income Statement as incurred. There were no outstanding contributions or prepaid contributions at either the beginning or end of the financial year.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance income and finance costs in the Income Statement.

Notes to the Financial Statements

1. Accounting policies (continued)

Restructuring costs

The Group has classified the restructuring costs as administrative expenses - exceptional items in accordance with FRS102 presentation of exceptional items. FRS 102 requires that when items included in the total comprehensive income are material, their nature and amounts should be disclosed separately.

Share capital and reserves

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. All issued shares are fully paid and hold the rights to dividends and votes in shareholder meetings.

2. Other operating income

	2020	2019
	£'000	£'000
Dividends received from Subsidiaries and Joint Ventures	648	15

3. Administrative (expenses)/income - exceptional items

	2020	2019
	£'000	£'000
Intercompany investment impairment charge (note 11)	(4,772)	(5,675)
Intercompany loan impairment reversal/(charge)	3,377	(367)
Intercompany debt forgiveness	-	(250)
Net professional fee credit	-	743
Other costs	(59)	(16)
	(1,454)	(5,565)

Notes to the Financial Statements

4. Operating loss

This is stated after charging:

	2020	2019
	£'000	£'000
Depreciation (note 10)	122	198
Impairment charge (note 11)	4,772	5,675
Operating leases	288	288
Foreign exchange differences	-	127
Auditor's remuneration (note 5)	335	284

5. Auditors remuneration

The remuneration of auditors or its associates is further analysed as follows

	2020	2019
	£'000	£'000
Audit of the financial statements	335	284

Audit fees includes the costs associated with the non trading UK Stemcor Group companies audits whose costs are borne by the Company. Non audit fees paid to the Company's auditor for the year amounted to £nil (2019: £nil).

6. Staff costs

(a) Staff Costs

	2020	2019
	£'000	£'000
Wages and salaries	2,796	3,224
Social Security	251	271
Pension costs (note 17)	181	170
	3,228	3,665

Notes to the Financial Statements

6. Staff costs (continued)

The average monthly number of employees during the year was as follows:

	2020	2019
Sales and administration staff	26	26
(b) Directors remuneration		
	2020	2019
	£'000	£'000
Wages and salaries	1,791	2,722
Pension costs	84	75
Total	1,875	2,797
Number of directors	4	4

The emoluments of the highest paid director were £565,656 (2019: £1,022,812) including pension contributions of £3,023 (2019: £2,973).

7. Interest receivable and similar income

	2020	2019
	£'000	£'000
Foreign exchange gain	193	-
Group interest receivable and similar income	1,975	3,662
	2,168	3,662

8. Interest payable and similar charges

	2020	2019
	£'000	£'000
Foreign exchange loss	-	673
Other interest payable	-	2
Group interest payable and similar charges	2,005	2,753
	2,005	3,428

Notes to the Financial Statements

9. Tax on loss on ordinary activities

	2020	2019
	£'000	£'000
Current Taxation		
Foreign corporation tax for the period	44	62
Adjustment in respect of previous periods	(17)	-
Total current tax charge on loss on ordinary activities	27	62

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 19% (2019: 19%). The actual tax charge for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	2020	2019
	£'000	£'000
Loss on ordinary activities before tax	(4,352)	(9,801)
Expected tax credit at 19% (2019 : 19%)	(827)	(1,862)
Expenses not deductible	933	1,217
Income not taxable	(765)	(149)
Group relief for nil consideration	-	775
Amount chargeable on controlled foreign companies	44	62
Adjustments from previous periods	(17)	-
Deferred tax not provided on other items	659	19
Current tax charge	27	62

The company has tax losses arising in the UK of £26.8m (2019: £18.8m) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group and there is insufficient evidence of profit against which these losses can be offset.

Notes to the Financial Statements

10. Tangible assets

	Plant, Equipment & Vehicles
	£'000
Cost:	
At 1 January 2020	1,682
Additions	544
At 31 December 2020	2,226
Accumulated Depreciation:	
At 1 January 2020	861
Charge for the year	122
At 31 December 2020	983
Net book value 31 December 2020	1,243
Net book value 31 December 2019	821

11. Investments

	Investment in subsidiaries and joint ventures
	£'000
Cost:	
At 1 January 2020	318,923
Additions	3,661
Disposals and capital reduction	(9,925)
At 31 December 2020	312,659
Impairment:	
At 1 January 2020	216,010
Charge	7,845
Reversal	(3,073)
At 31 December 2020	220,782
Net book value 31 December 2020	91,877
Net book value 31 December 2019	102,913

Notes to the Financial Statements

11. Investments (continued)

The subsidiary undertakings and joint ventures of Stemcor Holdings 2 Limited at 31 December 2020 were as follows:

	Country of incorporation	Nature of main business		Percentage of ordinary shares and voting rights held at 31 December 2020
Acier Metal SA	France	Steel Merchant	*	100%
Ansteel Holdings (UK) Limited	UK	Holding Company		50%
Ansteel Spain SL	Spain	Steel Merchant		51%
L W Lambourn & Co Limited	UK	Holding Company		100%
L.W. Lambourn Nigeria Limited	Nigeria	Services Company	*	80%
Oxbrookes	France	Steel Merchant	*	100%
SDM Services S.de RL de CV	Mexico	Services Company	*	100%
Stemcor Chile SpA	Chile	Steel Merchant		100%
Stemcor European Distribution Limited	UK	Holding Company		100%
Stemcor AG	Switzerland	Steel Merchant		100%
Stemcor Australia Pty Limited	Australia	Steel Merchant		100%
Stemcor de Mexico SA de CV	Mexico	Steel Merchant		100%
Stemcor Distribution Limited	UK	Steel Merchant		100%
Stemcor Finance AG	Switzerland	Financial Services		100%
Stemcor France Holdings SAS	France	Holding Company	*	100%
Stemcor France Limited	UK	Holding Company		100%
Stemcor France SAS	France	Steel Merchant	*	100%
Stemcor Italia Srl	Italy	Steel Merchant		100%
Stemcor Japan Limited	Japan	Steel Merchant		100%
Stemcor London Limited	UK	Steel Merchant		100%
Stemcor London Trading Limited	UK	Steel Merchant		100%
Stemcor Nigeria Steel Trading Limited	Nigeria	Steel Merchant	*	100%
Stemcor Pacific Limited	Hong Kong	Steel Merchant		100%
Stemcor Re Limited	Guernsey	Financial Services		100%
Stemcor Risk Management AG	Switzerland	Financial Services		100%
Stemcor (SEA) Pte Limited	Singapore	Steel Merchant		100%
Stemcor New York LLC	USA	Steel Merchant	*	100%
Stemcor Trading (Shanghai) Co Limited	China	Steel Merchant		100%
Stemcor USA Inc	USA	Steel Merchant		100%
Stonerock Shipping Corp	USA	Steel Merchant	*	100%
Uldry do Brazil Especiais Ltda	Brazil	Steel Merchant	*	100%
Uldry Steel SA	Switzerland	Steel Merchant		100%

Notes to the Financial Statements

11. Investments (continued)

Undertakings marked * are held/partly held through intermediate holding companies. No preference shares are held in subsidiary undertakings.

Changes during the year:

- Stemcor Aceros Especiales – liquidated 15 January 2020
- Eurosteel (Portugal) Comercio Int. Lda – de-registered 11 February 2020
- Stemcor International Limited – de-registered 24 June 2020
- Stemcor AG – capital reduction 6 October 2020
- Kenilworth Steel Co merged with Stemcor USA Inc – 11 December 2020
- Stonerock Shipping Corp – acquired 31 December 2020

12. Debtors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trading amounts owed by subsidiaries and associates	9,155	2,413
Loan amounts owed by subsidiaries and associates	17,948	18,648
Other debtors	327	79
Prepayments and accrued income	833	546
	28,263	21,686

The intercompany loan receivables are interest bearing at a rate of between 1.65% and 3.3% above a reference rate (2019: 3.1.% and 3.3%). The reference rate varies by agreement as GBP Libor, Euribor, or USD Libor.

13. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	244	188
Trading amounts owed to subsidiaries and associates	5,323	1,309
Loan amounts owed to subsidiaries and associates	72,432	76,385
Corporation tax	60	62
Accruals and deferred income	1,098	1,848
	79,157	79,792

The intercompany loan payables are interest bearing at a rate of between 1.65% and 3.5% above a reference rate or at the Swiss Safe Harbour rate (2019: 1.65% or Swiss Safe Harbour rate). The reference rate varies by agreement as GBP Libor or USD Libor.

Notes to the Financial Statements

14. Obligations under leases

	2020	2019
	£'000	£'000
Within one year	320	320
In two to five years	-	320
	320	640

15. Share capital

	2020	2019
	£'000	£'000
Called up, allotted and fully paid:		
18 Ordinary shares of £1 each	-	-

16. Share premium

Share premium records the amount above the nominal value received for shares sold, less transaction costs.

17. Pensions

The principal pension arrangements are defined contribution schemes and other money purchase schemes. The assets of are held separately from those of the Group in independently administered funds. The costs were charged to the profit and loss account as incurred. There were no outstanding contributions or prepaid contributions at either the beginning or end of the financial year.

	2020	2019
	£'000	£'000
Defined contribution scheme	181	170

18. Contingent liabilities

At 31 December 2020, the company had no material contingent liabilities.

Notes to the Financial Statements

19. Events after the reporting period

The ongoing Covid-19 crisis is a significant non-adjusting post balance sheet event. The Company has, outlined its considerations of the impact of this crisis on the wider Stemcor Group within the Principal Risks section on page 3 and also within the Going concern section within note 1 on page 12.

20. Related party transactions

	Dividends from related parties	Recharges to related parties	Amounts owed from related parties	Amounts owed to related parties
	£'000	£'000	£'000	£'000
2020	648	57	-	112
2019	15	34	-	-

All transactions with related parties are under normal market conditions.

The Company has taken advantage of the disclosure exemption under FRS102 regarding the requirement of Section 33.7 of Key Management Personnel compensation and paragraph 33.1A relating to the disclosure of transactions with wholly owned subsidiaries of the Group.

21. Ultimate parent company and controlling party

The immediate parent company of Stemcor Holdings 2 Limited is Stemcor Acquisitions Limited, which is incorporated in Great Britain and registered in England and Wales. As such the company has taken the exemption from preparing consolidated accounts on the basis that its immediate parent is established under the law of an EEA state. The ultimate parent company is Cedar Industrial Group Co. Limited, incorporated in China, whose registered office is Room 405, No.4 Hengjun Street, Baiyun District, Guangzhou City, China.

The smallest group which consolidates the Company's accounts at 31 December 2020 is Stemcor Global Holdings Limited. These consolidated accounts can be found on the Jersey Companies House website.

The largest group which consolidates the company's accounts at 31 December 2020 is Cedar Industrial Group Co. Limited. These consolidated accounts can be found on the Shanghai stock exchange website.