

Company Registration No. 08820259

Stemcor France Limited

Report and Financial Statements

31 December 2022

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Corporate information

Directors

Andrew Checketts

Steven Graf

Julian Verden

Auditors

Ernst & Young LLP

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Registered Office

Longbow House

14-20 Chiswell Street

London

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United Kingdom

Strategic report

The directors present their strategic report for the year ended 31 December 2022.

Review of the business

Stemcor France Limited ("the Company") is a wholly owned subsidiary of Stemcor Global Holdings Limited ("the Group"). The Company's principal activity during the period was that of an investment holding company of the Group. 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 profit during the year was €125,000 (2021: loss of €788,000) which is in line with the director's expectations given the nature of the Company's operations.

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

Other operating, financial and strategic risks, as well as details required by the UK Companies Act 2006 including section 172, which affect the Company are discussed in the Stemcor Global Holdings Limited's 2022 Annual Report, which does not form part of this report. The consolidated accounts can be found on Stemcor's website.



Andrew Checketts

Director

4 May 2023

Directors' report

The directors present their report for the year ended 31 December 2022.

Directors of the Company

The directors who served during the year and to the date of this report are shown on page 2.

Results

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

Dividends

No dividends were paid during the year (2021: €nil) and no dividend is proposed in relation to 2022 (2021: €nil).

Future developments and subsequent events

The Company has no significant future developments. Subsequent events are reported in note 12.

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.

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 (2021: €nil).

Directors' report

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 France Limited has not met the thresholds laid down in the regulations in the 2022 financial year (i.e. the Company has consumed less than 40,000 kWh of energy). Stemcor France 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 auditor

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.

A handwritten signature in black ink, appearing to read 'A Checketts', with a long horizontal flourish extending to the right.

Andrew Checketts

Director

4 May 2023

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' ('FRS 102'). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- present fairly the financial position and financial performance of the company;
- present information including accounting policies in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements of FRS 102 is sufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance.

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 France Limited

Opinion

We have audited the financial statements of Stemcor France Limited for the year ended 31 December 2022 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 14, 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 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 to the period ending May 2024 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 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 Stemcor France 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.

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.

Independent auditor's report to the members of Stemcor France Limited (continued)

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 (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. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, mainly relating to employee matters, general data protection regulations and bribery, anti-money laundering and corruption practices.
- We understood how the Company is complying with those frameworks and the Company's policies by making enquiries of management to understand the policies and procedures in place as well as reviewing corroborative evidence as necessary. We corroborated our enquiries through the review of all minutes of board meetings held during the year; the Stemcor Group's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations; any relevant correspondence with local tax authorities; any incidents reported through the whistleblowing line and any relevant correspondence received from regulatory bodies; external legal counsel; and noted there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Stemcor Group established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud and how senior management monitors those controls. We gained an understanding of the entity level controls and policies that the Group applies. 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

Jessy Maguhn (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
London

4 May 2023

Income Statement

For the year ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Administrative expenses		(5)	(8)
Operating loss	3	(5)	(8)
Interest receivable and similar income	4	463	-
Interest payable and similar charges	5	(333)	(780)
Profit/(loss) on ordinary activities before taxation		125	(788)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial year		125	(788)

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 2022

	2022 €'000	2021 €'000
Profit/(loss) for the financial year	125	(788)
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	125	(788)

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital €'000	Profit and loss account €'000	Shareholders' equity/(deficit) €'000
At 1 January 2021	-	258	258
Loss for the year	-	(788)	(788)
At 31 December 2021	-	(530)	(530)
Profit for the year	-	125	125
At 31 December 2022	-	(405)	(405)

Statement of Financial Position

At 31 December 2022

	Notes	2022 €'000	2021 €'000
Fixed assets			
Investments	7	8,230	8,230
Current assets			
Debtors: amounts falling due within one year	8	12	18
Creditors: amounts falling due within one year	9	(8,647)	(8,778)
Net current liabilities		(8,635)	(8,760)
Total assets less current liabilities		(405)	(530)
Net liabilities		(405)	(530)
Capital and reserves			
Share capital	10	-	-
Profit and loss account		(405)	(530)
Shareholders' deficit		(405)	(530)

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

The financial statements of Stemcor France Limited (registration number 08820259) were approved by the Board of Directors and authorised for issue on 4 May 2023.

They were signed on its behalf by:



Andrew Checketts
Director

Notes to the Financial Statements

1. Accounting policies

Stemcor France 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) as it applies to financial statements of companies for the year ended 31 December 2022.

Basis of preparation

The financial statements of Stemcor France Limited were authorised for issue by the Board of Directors on 4 May 2023. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in Euros 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.

The Company has taken the exemption under Section 401 of the Companies Act 2006 from preparing consolidated accounts.

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 2024. 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 2024. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements of Stemcor France 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)

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.

Taxation

The Company establishes provisions based on reasonable estimates. 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 in note 5.

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 Income Statement and the value of the investment is reduced accordingly. Refer to note 7 for further details.

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.

Interest-bearing loans and borrowings

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

Profit and loss account

The profit and loss account holds the retained earnings of the company, after the deduction of any dividends paid in the period.

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.

Notes to the Financial Statements

2. Directors' emoluments

Other than the directors, the Company had no employees for the period ended 31 December 2022 (2021: nil).

None of the directors received any emoluments in respect of their services as directors of the Company during the period ended 31 December 2022 (2021: €nil).

The remuneration of the directors is paid by the parent company (Stemcor Holdings 2 Limited), which makes no recharges to the Company. The directors act in a group capacity only and do not allocate specific time to the Company and therefore it is not possible to make an accurate apportionment of their emoluments in respect of the Company.

3. Operating loss

Audit fees are borne by other group companies (Stemcor Holdings 2 Limited). Non-audit fees paid to the Company's auditor for the year amounted to €nil (2021: €nil).

4. Interest receivable and similar income

	2022	2021
	€'000	€'000
Foreign exchange gain	463	-

5. Interest payable and similar charges

	2022	2021
	€'000	€'000
Foreign exchange losses	-	(568)
Interest payable to group undertakings	(333)	(212)
	(333)	(780)

Notes to the Financial Statements

6. Tax on profit/(loss) on ordinary activities

Current taxation	2022	2021
	€'000	€'000
UK corporation tax	-	-

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 19% (2021: 19%). The actual tax charge for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	2022	2021
	€'000	€'000
Profit/(loss) on ordinary activities before tax	125	(788)
Expected tax (charge)/credit at 19% (2021: 19%)	(24)	149
Group relief for nil consideration	24	(149)
Total tax expense	-	-

There were no deferred tax assets or liabilities at 31 December 2022 (2021: €nil). Legislation was introduced in UK Finance Act to increase the main rate of UK corporation tax from 19% to 25% from 1 April 2023.

7. Investments

	Investment in subsidiary companies
	€'000
Cost and net book value 31 December 2022	8,230
Cost and net book value 31 December 2021	8,230

The subsidiary undertakings of Stemcor France Limited at 31 December 2022 were as follows:

Name of Company	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of Business
Stemcor France Holdings SAS	France	Ordinary shares	100%	Holding Company
Oxbrookes *	France	Ordinary Shares	100%	Steel Merchants
Stemcor France SAS *	France	Ordinary Shares	100%	Steel Merchants
Acier Metal SA *	France	Ordinary Shares	100%	Steel Merchants

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

Notes to the Financial Statements

8. Debtors: amounts falling due within one year

	2022	2021
	€'000	€'000
Amounts owed by group undertakings	12	18

Interest is not charged on the amounts owed by group undertakings.

9. Creditors: amounts falling due within one year

	2022	2021
	€'000	€'000
Amounts owed to group undertakings	8,640	8,771
Other creditors	7	7
	8,647	8,778

The intercompany loan payables, repayable within one year, are interest bearing at a rate of 3.1%/1% above a reference rate (2021: 3.1%/1%). The reference rate varies by agreement based on cost of funds of the loan currency.

10. Share capital

	2022	2021
	€'000	€'000
Called up, allotted and fully paid		
2 ordinary shares of £1 each	-	-

11. Contingent liabilities

At 31 December 2022, the Company had no material contingent liabilities (2021: €nil).

12. Events after the reporting period

There were no events that occurred between the end of the reporting period and the date when the financial statements were authorised for issue that affect the accounts as at 31 December 2022.

Notes to the Financial Statements

13. Related party transactions

The Company has taken advantage of the disclosure exemption under FRS 102 regarding the requirement of Section 33 Related Party Disclosures paragraph 33.1A and has not disclosed transactions with other wholly owned subsidiaries of Stemcor Global Holdings Limited.

14. Ultimate parent company and controlling party

The immediate parent company of Stemcor France Limited is Stemcor Holdings 2 Limited, which is incorporated in Great Britain and registered in England and Wales. In July 2022, Cedar Industrial Group Co. Limited sold Prosperity Kingsfield Limited (an intermediary Group holding company) to Shou Ye Holding (Hong Kong) Limited. The ultimate parent company is Shenzhen Digital Energy Information Technology Co. Limited, incorporated in China, whose registered office is Room 106 Whole Building, Yuan Lin Holding Company Office, No. 1 Dong Hu Yi Jie, Shui Ku She Qu, Huang JBei Jie Dao, Luohu District, Shenzhen, 518021, China. The ultimate controlling party is Liu Di Hui.

The largest and smallest group which consolidates the Company's accounts at 31 December 2022 is Stemcor Global Holdings Limited. The consolidated accounts can be found on Stemcor's website.