Registered number: 04661575

CELSA STEEL (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CELSA STEEL (UK) LIMITED

COMPANY INFORMATION

Directors	L Sanz Villares F Mesegue A Fort M McKillop C Rovira Caroz (appointed 1 January 2022)
Company secretary	H Arnold
Registered number	04661575
Registered office	Building 58 East Moors Road Cardiff CF24 5NN
Independent auditors	Ernst & Young LLP Statutory Auditor The Paragon Counterslip Bristol BS1 6BX

CELSA STEEL (UK) LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present this strategic report for the year ended 31 December 2021.

Business Review

The company's key financial indicator is turnover which was £564,148 thousand (*2020 – £365,057 thousand*).

Principal risks and uncertainties

The company's exposure to the price of raw materials is important; therefore purchase strategies are monitored regularly as well as selling prices.

Coronavirus pandemic (COVID-19)

The global coronavirus pandemic involving the spread of COVID-19 presents a number of different risks and impacts to the business including safety, operational, financial and liquidity risk. The main priority for the group is the Health & Safety of all employees and the group continues to follow Government advice. The group responded rapidly and dynamically to the changing situation which allowed the production operations to continue to operate throughout.

The group's strategy remains the same but key financial indicators were significantly impacted as a direct result of the pandemic during 2020. The pandemic saw minimal impact on the financial indicators during 2021. The group continues to manage risks and financial indicators.

As a direct result of COVID-19, the group amended its current lending facility during 2020 with its lenders and introduced a new lender with all facilities being committed to 2023. This financial support provided the group with a financial platform to enable it to continue executing its existing business strategy.

Withdrawal of UK from European Union (BREXIT)

On the 31 December 2020 the transition period between the UK and the EU ended and new rules on exports, imports, tariffs, data and hiring were introduced. For the company a significant proportion of turnover and the supply chain is UK domestic, which reduces the impact of Brexit.

Financial risk management objectives and policies

Foreign currency risk

The company's currency risk is controlled by a natural hedge wherever possible and where there is an excess, the company may take out foreign currency contracts accordingly.

Interest rate risk

The company's policy is to manage its cost of borrowing using a mix of debt types.

Credit risk

The company's policy is to insure its trade debtors and exercise strong credit control procedures.

Price risk

The company's products are subject to changing market prices at both selling and purchasing level. It manages this risk by striving to be a low cost producer. During recent months energy prices and other input costs have been volatile and seen significant increases. The company continually monitors commodity markets to minimise the impact of any future volatility of all input costs.

Financial risk management objectives and policies (continued)

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations, and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at board level and cash payback periods applied as part of the investment appraisal process.

Section 172 Statement

The directors continued to exercise all their duties under Section 172 of The Companies Act 2006. The directors are dedicated to managing and operating the company in a safe, ethical, environmental and socially responsible way. The directors support employees, their safety, their commitment and development and encourage employees to be involved in performance improvement projects through team working and other departmental improvement activities. The company is engaged in employee training and development supported by comprehensive internal and external training platforms. The directors value long-term partnerships and aim to work collaboratively throughout the supply chain with customers, suppliers and other stakeholders. The directors are responsible for establishing and reviewing the short and long-term strategy considering strategic, economic, political and social issues, alongside other regulations and external matters relevant to the company. Through working together with management, the directors support the company in following the long-standing Total Quality Management approach of continuous improvement and innovation.

This report was approved by the board and signed on its behalf.

F Mesegue
Director

Date: 29 March 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Going concern

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the period through to 30 June 2023.

In December 2018, Celsa (UK) Holdings Limited (the Parent Company) renewed its Term Loan and Asset Based Lending (ABL) facilities. As a result, both facilities are committed until December 2023. During 2020, as a direct result of the COVID-19 pandemic, the parent introduced a new lender with an additional facility committed to June 2023. The company is part of the guaranteeing group for these facilities and therefore the directors have considered going concern from a group-wide perspective. The financial covenants linked to debt facilities are managed at the parent level.

The directors have assessed the funding requirements of Celsa (UK) Holdings Limited and its subsidiaries (the group). The assessment included a detailed review of financial forecasts, covenants and cash flow projections over the period through to June 2023. Having undertaken this work, the directors are of the opinion that the parent has access to adequate resources to continue in operational existence for the period through to 30 June 2023. The company benefits from a letter of support from Celsa (UK) Holdings Ltd being provided from the date of signing the financial statements through to June 2023. Accordingly, the company continues to adopt the going concern basis in preparing the annual report.

Principal activity

The company's principal activity during the year was the sale of steel products.

Results and dividends

The loss for the year, after taxation, amounted to £250 thousand *(2020 - loss of £153 thousand)*.

The directors do not recommend the payment of a dividend (*2020 – £nil*).

Directors

The directors who served during the year were:

L Sanz Villares
F Mesegue
A Fort
M McKillop

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Future developments

The directors aim to maintain the policies of the company. They intend to keep on growing the company and their market share.

Stakeholder involvement

The directors and the company value long-term partnerships and aim to work collaboratively throughout the supply chain with customers, suppliers and other stakeholders.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

F Mesegue
Director

Date: 29 March 2022

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report, the 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 these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Opinion
We have audited the financial statements of CELSA STEEL (UK) LIMITED for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15 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 2021 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 for a period of up until 30 June 2023.

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.

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.

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 (FRS 102 and Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations to its operations, including health and safety and GDPR.

- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override associated with manipulation of accounts such as revenue and provisions to meet loan covenants. We also noted a fraud risk around revenue recognition, and in particular manual revenue journals throughout the period. We performed detailed journal entry testing over manual revenue journals and used lower testing thresholds in performing our substantive procedures for accounts identified to be susceptible to higher risk of management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiry with no indication of non-compliance identified.

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.

DocuSigned by:
Ernst & Young LLP
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John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP Statutory Auditor

Bristol, UK
30 March 2022

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	*2020* *£000*
Turnover	3	**564,148**	*365,057*
Change in stocks of finished goods and work in progress		**(51,214)**	*(15,328)*
Materials and consumables		**(508,370)**	*(351,270)*
Other operating and external (charges)/income		**(2,834)**	*3,534*
Operating profit before interest and tax	4	**1,730**	*1,993*
Interest receivable and similar income		**2**	*4*
Interest payable and similar expenses	6	**(1,732)**	*(2,150)*
Loss on ordinary activities before taxation		**-**	*(153)*
Tax on loss	7	**(250)**	-
Loss for the financial year		**(250)**	*(153)*

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 12 to 19 form part of these financial statements.

CELSA STEEL (UK) LIMITED
REGISTERED NUMBER:04661575

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		2020 £000
Current assets					
Stocks	9	**95,726**		*40,124*	
Debtors: amounts falling due within one year	10	**102,185**		*103,439*	
Cash at bank and in hand		**4,057**		*6,513*	
		201,968		*150,076*	
Creditors: amounts falling due within one year	11	**(98,649)**		*(85,868)*	
Net current assets			**103,319**		*64,208*
Total assets less current liabilities			**103,319**		*64,208*
Creditors: amounts falling due after more than one year	12		**(102,102)**		*(62,741)*
Net assets			**1,217**		*1,467*
Capital and reserves					
Called up share capital	13		**1,000**		*1,000*
Profit and loss account			**217**		*467*
			1,217		*1,467*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2022.

L Sanz Villares
Director

F Mesegue
Director

A Fort
Director

M McKillop
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
At 1 January 2020	**1,000**	**620**	**1,620**
Loss for the year	**-**	**(153)**	**(153)**
At 1 January 2021	**1,000**	**467**	**1,467**
Loss for the year	**-**	**(250)**	**(250)**
At 31 December 2021	**1,000**	**217**	**1,217**

The notes on pages 12 to 19 form part of these financial statements.

1. General information

Celsa Steel (UK) Limited ('the company') is a private company limited by shares and is incorporated and domiciled in Wales. The address of its registered office is Building 58 East Moors Road, Cardiff, CF24 5NN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Celsa (UK) Holdings Limited as at 31 December 2021 and these financial statements may be obtained from Building 58, East Moors Road, Cardiff, CF24 5NN.

2.3 Going concern

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the period through to 30 June 2023.

In December 2018, Celsa (UK) Holdings Limited (the Parent Company) renewed its Term Loan and Asset Based Lending (ABL) facilities. As a result, both facilities are committed until December 2023. During 2020, as a direct result of the COVID-19 pandemic, the parent introduced a new lender with an additional facility committed to June 2023. The company is part of the guaranteeing group for these facilities and therefore the directors have considered going concern from a group-wide perspective. The financial covenants linked to debt facilities are managed at the parent level.

The directors have assessed the funding requirements of Celsa (UK) Holdings Limited and its subsidiaries (the group). The assessment included a detailed review of financial forecasts, covenants and cash flow projections over the period through to June 2023. Having undertaken this work, the directors are of the opinion that the parent has access to adequate resources to continue in operational existence for the period through to 30 June 2023. The company benefits from a letter of support from Celsa (UK) Holdings Ltd being provided from the date of signing the financial statements through to June 2023. Accordingly, the company continues to adopt the going concern basis in preparing the annual report.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

2.5 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and group companies and is attributable to the manufacture and re-rolling of steel products. Turnover is recognised upon shipment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

2.7 Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatments of certain items for taxation and accounting purposes.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Accounting policies (continued)

2.8 Basic financial instruments

(i) Financial assets

Financial assets, including trade and other receivables, amounts due from group companies and cash and bank balances are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

(ii) Financial liabilities

Financial liabilities, including trade payables and amounts due to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. Turnover

Analysis of turnover by country of destination:

	2021	*2020*
	£000	*£000*
United Kingdom	**471,873**	*275,592*
Continental Europe, Eire and others	**92,275**	*89,465*
	564,148	*365,057*

4. Operating profit

The operating profit is stated after charging:

	2021	*2020*
	£000	*£000*
Foreign exchange (losses) / gains	(925)	*3,593*

Audit fees are borne by another group company, Celsa Manufacturing (UK) Limited.

5. Directors' remuneration

The directors of this company have not received any payment from it directly. The holding company of the Group, (Celsa (UK) Holdings Ltd) have paid the remuneration to all the directors of the Group (Holdings and fellow subsidiaries). The amount apportioned for the directors giving service to this company add up to £22,711 (*2020* – £26,393).

6. Interest payable and similar expenses

	2021	*2020*
	£000	*£000*
Bank interest payable	1,732	*2,150*

7. Taxation

	2021 £000	*2020 £000*
Corporation tax		
Adjustments in respect of previous periods	**99**	-
Group relief	**-**	*151*
Total current tax charge	**99**	*151*
Deferred tax		
Deferred tax charge/(credit) for the year	**279**	*(151)*
Adjustments in respect of previous periods	**(128)**	-
Total deferred tax charge/(credit)	**151**	*(151)*
Tax on loss on ordinary activities	**250**	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 £000	*2020 £000*
Loss on ordinary activities before tax	**-**	*(153)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**-**	*(29)*
Effects of:		
Expenses not deductible for tax purposes	**-**	*29*
Adjustments to tax charge in respect of prior periods	**(29)**	-
Timing differences	**(151)**	*(151)*
Deferred tax not recognised	**367**	-
Changes in tax rates	**(88)**	-
Group relief	**151**	*151*
Total tax charge for the year	**250**	-

7. Taxation (continued)

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID- 19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence have been reflected in the measurement of the deferred tax assets OR liabilities balance at the period end.

8. Deferred taxation

	2021	*2020*
	£000	*£000*
At beginning of year	**151**	-
(Charged)/credited to the profit or loss	**(151)**	*151*
At end of year	**-**	*151*

The deferred tax asset is made up as follows:

	2021	*2020*
	£000	*£000*
Tax losses carried forward	**-**	*151*
	-	*151*

9. Stocks

	2021	*2020*
	£000	*£000*
Raw materials and consumables	**15,131**	*10,743*
Finished goods and semi-finished goods	**80,595**	*29,381*
	95,726	*40,124*

10. Debtors

		2021 £000	2020 £000
Trade debtors		**50,129**	*45,069*
Amounts owed by group undertakings		**52,044**	*58,207*
Prepayments and accrued income		**12**	*12*
Deferred taxation	8	**-**	*151*
		102,185	*103,439*

The ABL facility has a fixed charge over the debtors balances.

Amounts falling due after more than one year included above are:

Deferred tax asset	8	**-**	*151*

11. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	**98,649**	*85,745*
Other creditors and accruals	**-**	*123*
	98,649	*85,868*

Amounts owed to group undertakings are non-interest bearing and payable on standard payment terms.

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

	2021 £000	*2020 £000*
Bank loan due in more than one year	**93,202**	*53,841*
Amounts owed to group undertakings	**8,900**	*8,900*
	102,102	*62,741*

The ABL Facility Bank Loan is part of a £160m facility committed until December 2023 where interest is payable at a spread above LIBOR/SONIA per annum and is secured by a fixed charge on trade debtors and inventories. The financial covenants linked to the loan facilities are managed at Celsa UK Group level.

Amounts owed to group undertakings bear interest at LIBOR/SONIA +1% and are repayable by 31 December 2023.

13. Share capital

	2021 £000	*2020 £000*
Allotted, called up and fully paid		
1,000,000 *(2020 - 1,000,000)* Ordinary Shares shares of £1 each	**1,000**	*1,000*

14. Related party transactions

The company is exempt from disclosing related party transactions as they are with companies that are wholly owned within the Group.

The company has outstanding balances with related parties which are disclosed seperately in notes 10,11 and 12.

15. Undertaking and controlling party

The immediate parent undertaking is Celsa (UK) Holdings Limited, a company incorporated in England & Wales. The ultimate parent undertaking and controlling party is Catalunya Steel SL, which is a company incorporated in Spain. The smallest and largest group in which the results of the company are consolidated is that headed by Celsa (UK) Holdings Limited, whose financial statements are available from Building 58, East Moors Road, Cardiff CF24 5NN.