

Company registered number: 176632

The Steel Company of Ireland Limited

Annual Report and Financial Statements
for the financial year ended 31 March 2022

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Directors and Advisors

Directors

M Sargent
L Chen

Company Secretary

Goodbody Secretarial Services Limited

Registered Office

International Financial Services Centre
25/28 North Wall Quay
Dublin 1
D01 H104, Ireland

Company Number

176632

Independent Auditor

Forvis Mazars
Chartered Accountants and Statutory Audit Firm
Block 3 Harcourt Centre
Harcourt Road
Dublin 2
Ireland

Directors' Report

Introduction

The directors have the pleasure of presenting their Directors' Report together with the audited accounts of The Steel Company of Ireland Limited ('SCOI' or 'the Company') for the financial year ended 31 March 2022.

The financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2014 and take advantage of the FRS 101 disclosure exemptions.

Principal activities

From 1 July 2020, the principal activities of the Company changed from steel stockholding and processing to sales office activities for British Steel Limited. This was in the wake of the acquisition of the Company's share capital by Jingye Steel (UK) Holding Ltd on 9 March 2020.

The Board

The directors of the Company at any time during the financial year, and subsequently to the date of this report, are detailed below:

R D Farnsworth and G M Crooks resigned as directors of the Company on 31 July 2021.

M Sargent and L Chen were appointed as directors of the Company on 9 March 2022 and 29 June 2023, respectively.

The directors do not have any ownership interest in the Company.

Business review, development and performance

The Company reported a €237,064 loss after tax (2021: €326,427 profit). The result was in line with management expectations. The net liabilities of the Company have increased from €289,640 at 31 March 2021 to €526,704 at 31 March 2022 due to the loss in the financial year. The assets and liabilities and financial position of the Company at the end of the financial year are set out in the Balance Sheet on page 9.

Principal risks and uncertainties

On 9 March 2020, Jingye Steel (UK) Holding Ltd ('Jingye Group') acquired certain parts of the business and assets of British Steel Limited ('BSL') and most of its subsidiary businesses, including The Steel Company of Ireland Limited.

On 1 July 2020, following this acquisition, SCOI agreed to become a service provider for BSL, as a consequence of which, SCOI streamlined its workforce and subsequently exited its premises. By becoming a sales office, the Company will no longer sell to customers directly and as such its stockholding has decreased to zero and its debtor book will unwind over the foreseeable future.

The principal risks and uncertainties affecting the Company include climate change, financing, cyber-attacks on information or operational technology, trading in the global steel market (including the impact of Brexit), long-term competitiveness, performance and operations, exchange rates and access to raw materials and energy.

Further information and discussion on these principal risks and uncertainties are to be included in the JSUK 2023 Annual Report and Financial Statements.

Future and subsequent events

The business continues to meet its short-term obligations with a cash position of c. €85k at 31 March 2022 which is expected to remain positive for at least the next 12 months. Please refer to going concern commentary below and note 15 'Events after the balance sheet date'.

Going concern

The Company has made a loss before tax in the year ended 31 March 2022 of €226k (2021: €354k profit) and has an excess of liabilities over assets in an amount of €526,704 at that date (31 March 2021: net liabilities €289,640).

The Company is largely reliant upon British Steel Limited for its trade and business. BSL in turn is dependent on long-term funding from ultimate parent company, Jingye Group Co Ltd, and, as at the date of approval of these financial statements, there are no legally binding agreements in place in relation to the remittance of further funds, and therefore no guarantee that the funds will be available in the timescale required. Therefore, there exists a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Directors' Report (CONTINUED)

Going concern (*continued*)

On 12 April 2025 the UK Government passed the Steel Industry (Special Measures) Act 2025 enabling the UK Government to take control of British Steel and its assets in a move that stops short of nationalisation. The UK government is committed to the long-term future of the steel industry in the UK and BSL is expected to maintain existing steelmaking operations and continue trading with Steel Company of Ireland over the medium-term.

These financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notwithstanding this, and in view of the fact that BSL has confirmed that it will continue its ongoing trading relationship with the Company and, subsequent to the year end in March 2026, BSL has agreed to write off intercompany debt owed by the Company to BSL amounting to €1.45m, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Therefore, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Employees

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 15. The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities, and employ them where suitable work can be found. The requirements of job applicants and existing members of staff who have a disability are reviewed to ensure that reasonable adjustments are made to enable them to perform as well as possible during the recruitment process and while employed. All reasonable measures are taken to ensure that disabled employees are given the opportunity and facilities to participate fully in the workplace, in training and in career development and promotion opportunities. In addition, every effort is made to find appropriate alternative jobs for those who become disabled while working for the Company.

Accounting records

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Parent Company's registered office at Jingye Steel (UK) Holding Ltd, British Steel, Administration Building, Brigg Road, Scunthorpe, North Lincolnshire, England, DN16 1XA.

Independent auditor

The auditors, Forvis Mazars, Chartered Accountants and Registered Auditors, continue in office in accordance with Section 383(2) of the Companies Act 2014.

Dividends

No dividend was paid during the current or prior financial year, and the directors do not recommend the payment of a final dividend (2021: €nil).

Political Donations and Political Expenditure

The Company does not make any political or charitable donations and none were made during the year (2021: €nil).

Statement as to disclosure of information to the Company's auditor

Each director in office at the date of this Directors' report confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) the director has taken all the relevant steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

Approved by the Board on 31 March 2026 and signed on its behalf by:



M Sargent
Director



L Chen
Director

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014.

Irish 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 FRS 101 as adopted by the European Union.

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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards;
- make judgements and estimates that are reasonable and prudent; 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 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 ensuring that the Company keeps adequate accounting records which correctly explain and record the transactions of the Company; enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014; and enable the financial statements to be audited.

Approved by the Board on 31 March 2026 and signed on its behalf by:



M Sargent
Director



L Chen
Director

Independent auditor's report to the members of The Steel Company of Ireland Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Steel Company of Ireland Limited ("the Company"), for the year ended 31 March 2022, which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and notes to the Company financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish law and FRS 101 "The Reduced Disclosure Framework" (The Financial Reporting Standard applicable in the UK and Republic of Ireland).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2022, and of its results for the year then ended;
- have been properly prepared in accordance with FRS 101 "The Reduced Disclosure Framework" (The Financial Reporting Standard applicable in the UK and Republic of Ireland); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

Material Uncertainty related to going concern

We draw attention to the statement on page 2 and 3 and in note 1 which states that the company is largely reliant upon British Steel Limited for its trade and business. There are no legally binding agreements in place for the remittance of further funds and therefore no guarantee that the funds will be available in the timescale required.

As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of The Steel Company of Ireland Limited (continued)

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

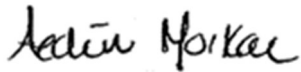
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

**Independent auditor's report to the members of
The Steel Company of Ireland Limited (continued)**

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.



Aedín Morkan
for and on behalf of Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Date: 01 April 2026

Income Statement
for the financial year ended 31 March 2022

	<i>Note</i>	2022 €	2021 €
Revenue	2	280,009	706,261
Cost of sales		-	(33,788)
Gross profit		280,009	672,473
Net operating expenses	3	(506,370)	(318,824)
Operating (loss)/profit	4	(226,361)	353,649
(Loss)/profit before taxation		(226,361)	353,649
Taxation	7	(10,703)	(27,222)
(Loss)/profit for the financial year		(237,064)	326,427

The notes on pages 11 to 19 form an integral part of these financial statements.

All references to 2022 in these financial statements, the accounting policies, and the related notes 2 to 18 refer to the accounting period from 1 April 2021 to 31 March 2022, or as at 31 March 2022, as appropriate.

All references to 2021 in these financial statements, the accounting policies, and the related notes 2 to 18 refer to the accounting period from 1 April 2020 to 31 March 2021, or as at 31 March 2021, as appropriate.

All results derive from continuing operations.

Statement of Comprehensive Income

For both financial years, the Company has no other income or expenses, other than those included in the Income Statement above and, therefore, no separate Statement of Comprehensive Income has been presented.

Balance Sheet
as at 31 March 2022

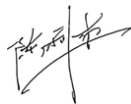
	<i>Note</i>	2022	2021
		€	€
Assets			
Current assets			
Trade and other receivables	8	324,812	350,043
Cash and cash equivalents	9	735,306	1,220,960
		1,060,118	1,571,003
Liabilities			
Current liabilities			
Trade and other payables	10	(1,586,822)	(1,860,643)
		(1,586,822)	(1,860,643)
Net current liabilities Total assets less current liabilities		(526,704)	(289,640)
Net liabilities		(526,704)	(289,640)
Equity			
Called up share capital	11	15,016,219	15,016,219
Capital nominalisation reserve fund	12	116,054	116,054
Retained losses	12	(15,658,977)	(15,421,913)
Total deficit		(526,704)	(289,640)

The notes on pages 11 to 19 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 31 March 2026 and signed on its behalf by:



M Sargent
Director



L Chen
Director

The Steel Company of Ireland Limited
Company registration no. 176632

Statement of Changes in Equity
for the financial year ended 31 March 2022

	Called up share capital €	Capital nominalisation reserve fund €	Retained losses €	Total deficit €
Balance as at 31 March 2020	15,016,219	116,054	(15,748,340)	(616,067)
Profit for the financial year	-	-	326,427	326,427
Balance as at 1 April 2021	15,016,219	116,054	(15,421,913)	(289,640)
Loss for the financial year	-	-	(237,064)	(237,064)
Balance as at 31 March 2022	15,016,219	116,054	(15,658,977)	(526,704)

The notes on pages 11 to 19 form an integral part of these financial statements.

Total equity is wholly attributable to the owners of the Company.

Notes to the Financial Statements for the financial year ended 31 March 2022

1 Accounting policies

The Steel Company of Ireland Limited ("the Company") is a private company, limited by shares, incorporated, domiciled and registered in Ireland under the Companies Act 2014. The registered number is 176632 and the registered office address is Goodbody Secretarial Services Limited, International Financial Services Centre, 25/28 North Wall Quay, Dublin 1, D01 H104, Ireland.

Basis of preparation

The financial statements have been prepared in accordance with FRS 101 as adopted for use in the European Union. The financial statements are presented in Euro since this is the currency in which the majority of the Company's transactions are denominated.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in the current and prior financial years. As set out in the Directors' Report on page 2-3, the Board of directors has assessed the ability of the Company to continue as a going concern and these financial statements have been prepared on a going concern basis. Please refer to the going concern narrative under 'Critical accounting judgements and the key sources of estimation uncertainty' on page 13.

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 paragraph 8:

- (i) The requirements of IFRS 2 'Share-based Payment' paragraphs 45(b) and 46 to 52 relating to certain disclosure requirements on share-based payments;
- (ii) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (iii) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 38(118)(e));
- (iv) The requirements of IAS 1 'Presentation of Financial Statements' paragraph 16, the requirement to make an explicit and unreserved statement of compliance with IFRS;
- (v) The requirements of IAS 1 'Presentation of Financial Statements' paragraphs 38A to 40D relating to disclosures of comparative information;
- (vi) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vii) The requirements of IAS 7 'Statement of Cash Flows';
- (viii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective;
- (ix) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 and 18(A) relating to the disclosure of key management personnel compensation and the requirements relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group; and
- (x) The requirements of IAS 36 'Impairment of Assets' paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) relating to certain disclosure requirements of impairment testing.

For the disclosure exemptions listed in points (i) to (ii) and (x), the equivalent disclosures are included in the consolidated financial statements of the group, Jingye Steel (UK) Holding Ltd which the Company is consolidated into. These financial statements are publicly available and are filed with Companies House.

New standards and interpretations

There were no new relevant standards and interpretations issued during the year determined to be applicable to the Company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Notes to the Financial Statements (CONTINUED)

1 Accounting policies (*continued*)

1.1 Leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the term of the lease.

1.2 Revenue

The Company's revenue is derived primarily from the provision of intercompany support services, where revenue is generated via a service fee charged by the Company for the provision of services that shall equal the direct and indirect costs incurred for providing these services with a markup of 5%, in line with Group transfer pricing policy. Revenue from the provision of services is recognised when the Company has performed the services for the buyer and the buyer obtains the benefits from those services, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the services.

1.3 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(ii) Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss

(iii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit and loss (FVTPL).

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or is (ii) designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

Financial liabilities that are not (i) held for trading, or (ii) designated as at FVTPL, are measured subsequently at amortised cost using the effective-interest method.

Notes to the Financial Statements (CONTINUED)

1 Accounting policies (*continued*)

(iii) Financial liabilities (*continued*)

The effective-interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

1.4 Insurance

Insurance premiums in respect of insurance placed with third parties are charged to the profit and loss in the financial year to which they relate.

1.5 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Euro at the quoted rates of exchange ruling at the end of each financial year. In preparing the financial statements, transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions.

1.6 Taxation

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

The tax currently payable is based on taxable profit for the accounting period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years ("temporary differences"), and it further excludes items that are never taxable or deductible ("permanent differences").

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, deferred tax is recognised in the Statement of Comprehensive Income.

1.7 Retirement benefit costs

For defined contribution schemes, the amount charged to the profit and loss account is the contribution payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are shown as either accruals or prepayments on the Balance Sheet.

Critical accounting judgements and the key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

The Company has made a loss before tax in the year ended 31 March 2022 of €226k (2021: €354k profit) and has an excess of liabilities over assets in an amount of €526,704 at that date (31 March 2021: net liabilities €289,640).

Notes to the Financial Statements (CONTINUED)

1.7 Accounting policies (continued)

The Company is largely reliant upon British Steel Limited for its trade and business. BSL in turn is dependent on long-term funding from ultimate parent company, Jingye Group Co Ltd, and, as at the date of approval of these financial statements, there are no legally binding agreements in place in relation to the remittance of further funds, and therefore no guarantee that the funds will be available in the timescale required. Therefore, there exists a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

On 12 April 2025 the UK Government passed the Steel Industry (Special Measures) Act 2025 enabling the UK Government to take control of British Steel and its assets in a move that stops short of nationalisation. The UK government is committed to the long-term future of the steel industry in the UK and BSL is expected to maintain existing steelmaking operations and continue trading with Steel Company of Ireland over the medium-term.

These financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notwithstanding this, and in view of the fact that BSL has confirmed that it will continue its ongoing trading relationship with the Company and, subsequent to the year end in March 2026, BSL has agreed to write off intercompany debt owed by the Company to BSL amounting to €1.45m, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Therefore, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on trade debtors. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade debtors.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 Revenue

The Company's revenue and profit on ordinary activities before taxation arises from intercompany services under a cost plus arrangement.

An analysis of revenue by geographical area is shown below:

	2022	2021
	€	€
Sale of goods		
United Kingdom	280,009	451,207
Europe	-	255,054
	280,009	706,261
Agency commission		
United Kingdom	-	(10,309)
	-	(10,309)

3 Net operating expenses

	2022	2021
	€	€
Costs by type:		
Employment costs (note 5)	206,460	229,786
Other operating items	299,910	89,038
	506,370	318,824

Notes to the Financial Statements (CONTINUED)

4 Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2022 €	2021 €
Cost of inventory recognised as an expense	-	33,788
Operating lease rentals:	-	
Leasehold property	-	65,251
Plant and machinery	-	-
Intercompany settlement	217,981	
Net foreign currency exchange (gains)/losses	(5,263)	19,541

5 Employment costs

	2022 €	2021 €
Wages and salaries	171,645	195,763
Social insurance costs	21,084	23,314
Retirement benefit costs	13,731	49,698
Redundancy costs	-	(38,989)
	206,460	229,786

Redundancy costs of €222,355 were incurred in 2021, which was offset by a release of provision for redundancy costs of €261,344.

The average monthly number of employees during the financial year, including executive directors:

	2022 No.	2021 No.
Sales	2	3
Administration and management	1	1
	3	4

6 Emoluments of directors

Directors' remuneration is €nil for both the current and prior financial years. Therefore, all section 305 and 306 Companies Act 2014 disclosures are €nil for the current financial year and prior financial year. The emoluments of the Directors were paid by other companies within the British Steel Group which make no recharge to the Company. No directors have executed any share options and no shares were received or receivable in either financial year.

7 Taxation

(a) Analysis of tax charge in the financial year:

	2022 €	2021 €
Current tax		
Irish corporation tax on profits for the financial year	(781)	38,706
Total current tax (credit)/charge	(781)	38,706
Deferred tax		
Origination and reversal of temporary differences – prior period	11,484	(4,428)
Origination and reversal of temporary differences – current period	-	(7,056)
Total deferred tax charge/(credit)	11,484	(11,484)
Total income tax charge	10,703	27,222

Corporation tax is calculated at 12.5% (2021: 12.5%) of the estimated assessable profit for the year.

Notes to the Financial Statements (CONTINUED)

7 Taxation (continued)

(b) Factors affecting tax charge for the financial year:

Income statement tax charge for the financial year can be reconciled to the accounting profit as follows:

	2022	2021
	€	€
(Loss)/profit before taxation	(226,361)	353,649
Corporation tax at 12.5%	(28,295)	44,206
<i>Effect of:</i>		
Expenses not deductible for tax purposes	27,514	346
Deferred tax prior year movement	11,484	(4,428)
Tax losses (utilised)/carried forward	-	(12,902)
Total income tax charge	10,703	27,222

At the financial year end, the company had a deferred tax asset of €nil (2021: €11,484) in relation to timing differences.

At the financial year end, the Company had unutilised tax losses of €nil (2021: €nil). Due to the change in ownership and change of trading basis previously brought forward losses are ineligible to offset against future trading profits.

8 Trade and other receivables

	2022	2021
	€	€
Trade receivables	-	35,119
Amounts owed by fellow subsidiary company	324,812	314,924
	324,812	350,043

Amounts owed by the fellow subsidiary company, British Steel Limited, are interest free, unsecured and repayable on demand.

9 Cash and cash equivalents

	2022	2021
	€	€
Cash at bank and in hand	735,306	1,220,960

10 Trade and other payables

	2022	2021
	€	€
Trade payables	62,121	562,169
Other taxation and social security (see analysis below)	44,257	39,571
Other creditors and accruals	33,000	29,960
Amounts owed to Group undertakings	1,447,444	1,228,943
	1,586,822	1,860,643
Due within one year	1,586,822	1,860,643
Due after more than one year	-	-
	1,586,822	1,860,643

Other creditors and accruals of €33,000 falling due within one year (2021: 29,960) include amounts provided in respect of audit fees and other miscellaneous costs.

Notes to the Financial Statements (CONTINUED)

10 Trade and other payables (*continued*)

Amounts owed to Group undertakings are for services under a cost plus arrangement and comprise normal trading balances that are unsecured and on which no interest is charged and are repayable upon demand.

Other taxation and social security can be analysed as follows:

	2022	2021
	€	€
Corporation tax payable	37,925	27,222
Pay As You Earn (PAYE)/Pay Related Social Insurance (PRSI)	6,332	6,390
Value-Added Tax (VAT)	-	5,959
	44,257	39,571

11 Called up share capital

	2022	2021
	€	€
Allotted, called up, issued and fully paid		
11,917,634 ordinary shares of €1.26 each	15,016,219	15,016,219

The Company has one class of ordinary share which carries no right to fixed income.

12 Reserves

Capital nominalisation reserve fund

The capital nominalisation reserve fund arose in the financial year ended 3 January 2004 when the Company re-nominalised its share capital from €1.269738 per share to €1.26 per share.

Retained losses

Retained earnings represent the accumulated profits and losses of the Company.

13 Related party transactions

On the 9 March 2020, Jingye Steel (UK) Holding Ltd acquired certain parts of the business and assets of British Steel Limited including most of its subsidiary businesses, one of them being The Steel Company of Ireland Limited.

The Company entered into the following transactions with fellow subsidiary company, British Steel Limited:

	2022	2021
	€'000	€'000
Trading purchases for the reporting period	-	187
Trading sales for the reporting period	280	262
Amounts payable at the reporting date	1,447	1,229
Amounts receivable at the reporting date	325	315

The amounts payable and receivable are unsecured and will be settled in cash, notwithstanding offsets with intercompany creditors. No guarantees have been given or received. No provision has been made for doubtful debts in respect of the amounts owed by related parties.

14 Ultimate and intermediate parent company

As of 9 March 2020, the Company is a wholly-owned subsidiary of Jingye Steel (UK) Holding Ltd, incorporated in England and Wales (Brigg Road, Scunthorpe, DN16 1XA, UK) and is the smallest group to consolidate these financial statements. The ultimate parent company and controlling party is Jingye Group Co Ltd, a company incorporated in China.

Notes to the Financial Statements (CONTINUED)

15 Events after the balance sheet date

The business continues to meet its short-term obligations with a cash position of c. €130k at 19 January 2026 which is expected to remain positive for at least the next 12 months.

16 Financial instruments

The Company is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Company for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balances. The capital structure of the Company consists of net debt and equity (comprising issued capital, reserves, including the €324.8k (2021: €314.9k) fellow subsidiary company loan owed, disclosed in note 10, and retained losses). The Company is not subject to any externally imposed capital requirements.

Financial risk management objective

The British Steel Group's corporate treasury function provides services to the Company, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises are trade and other receivables, trade and other payables, and cash and cash equivalents.

Financial instruments by category

The following table details the Company's financial instruments. The carrying value of these financial instruments is considered to approximate their fair values.

	2022	2021
	€'000	€'000
Financial assets		
Trade receivables (<i>note 10</i>)	-	35
Amounts owed by fellow subsidiary company (<i>note 10</i>)	325	315
Cash and cash equivalents (<i>note 11</i>)	735	1,221
	1,060	1,571
Financial liabilities		
Trade payables (<i>note 12</i>)	(62)	(562)
Amounts owed to Group undertakings (<i>note 12</i>)	(1,447)	(1,229)
	(1,509)	(1,791)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's cash balances and trade and other receivables. The concentration of the Company's credit risk is considered by counterparty.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment-grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers.

Notes to the Financial Statements (CONTINUED)

17 Financial instruments (*continued*)

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually by the British Steel Group's risk management committee. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. Regular reviews are undertaken of exposure to key customers and those where known risks have arisen. Any impairment to the recoverability of debtors is reflected in the income statement.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets detailed in the 'financial instruments by category' table above.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The Company trades in both the Euro (EUR) and the British pound sterling (GBP), so it has both currencies available for use.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of directors. The Board manages liquidity risk by regularly reviewing the Company's cash requirements by reference to short-term cash flow forecasts and medium-term working capital projections.

18 Approval of financial statements

The financial statements were approved and authorised for issue by the Board on 31 March 2026.