

Sogepar UK Limited

**Directors' report and financial
statements**

Registered number 1707316

31 December 2010

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2010

Review of business and future developments

The profit and loss account for the year is shown on page 5

The business has reported an operating profit before taxation in the current year of £13,194 (2009 loss £373,251)

Up to 1 December 2008, the company was engaged in the procurement, processing and distribution of stainless steel products primarily in the UK, Ireland and mainland Europe

On 1 December 2008, the trading actions of SoGePar UK Ltd were integrated with those of Outokumpu Stainless Distribution, a division of Outokumpu Stainless Ltd and the company ceased to trade. It is anticipated that the remaining assets and liabilities of the company will be transferred to a sister company at a value not less than book value. During the year, the majority of expenses incurred by the company, were recharged to Outokumpu Stainless Distribution.

The holding company has confirmed that it will provide support for at least 12 months following the approval of these financial statements, and the directors confirm that it is their intention to retain the company for the foreseeable future.

Directors

The directors of the company during the year were

E A M Tomczak (resigned 10 March 2010)

K P J Luoto

T Mattila

A J Kinna (appointed 4 January 2010)

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



R Waugh
Secretary

27 October 2011

PO Box 161
Main Administration Building
Europa Link
Sheffield
S9 1 TZ

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 for that period

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ABCD

KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Sogepar UK Limited

We have audited the financial statements of Sogepar UK Limited for the year ended 31 December 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

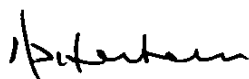
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Sogepar UK Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



DJ Hutchinson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
West Yorkshire
LS1 4DW

27 October 2011

Profit and Loss Account
for the year ended 31 December 2010

	<i>Note</i>	2010 £	2009 £
Administrative income/(expenses)		13,194	(36,874)
Operating profit/(loss) from discontinued operations	3	13,194	(36,874)
Interest payable and similar charges	4	-	(336,377)
Profit/(loss) on ordinary activities before taxation		13,194	(373,251)
Taxation on profit/(loss) on ordinary activities	5	-	(39,838)
Profit/(loss) on ordinary activities after taxation		13,194	(413,089)

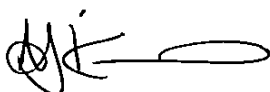
All amounts relate to discontinued operations

There are no recognised gains or losses in the current or preceding years other than those noted above and, accordingly, no separate statement of total recognised gains and losses has been presented

Balance Sheet
at 31 December 2010

	<i>Note</i>	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	6		4,370,193		4,654,481
Investments	7		-		-
			<hr/>		<hr/>
			4,370,193		4,654,481
Current assets					
Debtors	8	2,170,496		2,194,371	
Cash at bank and in hand		357,108		265,873	
		<hr/>		<hr/>	
		2,527,604		2,460,244	
Creditors amounts falling due within one year	9	(3,244,753)		(3,474,875)	
		<hr/>		<hr/>	
Net current liabilities			(717,149)		(1,014,631)
			<hr/>		<hr/>
Total assets less current liabilities			3,653,044		3,639,850
			<hr/>		<hr/>
Net assets			3,653,044		3,639,850
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	10	2,000,000		2,000,000	
Profit and loss account	11	1,653,044		1,639,850	
		<hr/>		<hr/>	
Shareholder's funds	12	3,653,044		3,639,850	
		<hr/>		<hr/>	

These financial statements were approved by the board of directors on 27 Oct 2011 and were signed on its behalf by



A J Kinna
Director

Registered number 1707316

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Outokumpu Stainless Limited, a company incorporated in the UK, which prepares publicly available consolidated financial statements which include a cash flow statement.

As the Company is a wholly owned subsidiary of Outokumpu Stainless Limited, the Company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of Outokumpu Stainless Limited, within which this company is included, can be obtained from the address given in note 14.

Going concern

The financial statements have been prepared under the going concern assumption, notwithstanding the net current liabilities position in the current year. The holding company has confirmed that it will provide support for at least 12 months following the approval of these financial statements, and the directors confirm that it is their intention to retain the company for the foreseeable future. If the company were unable to continue realising their assets and discharging their liabilities in the normal course of business then adjustments would have to be made to prepare the accounts on a break-up basis and to reduce the value of assets to their recoverable amounts, and provide for any further liabilities.

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold property	-	2% per annum
Short leasehold property	-	over the term of the lease
Plant and machinery	-	10% on cost
Motor vehicles	-	25% on cost
Fixtures and fittings	-	10-25% on cost

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

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 treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Notes to the profit and loss account

	2010 £	2009 £
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Depreciation and other amounts written off tangible fixed assets	284,288	322,474
Hire of plant and machinery – operating leases	-	4,821
Auditors' remuneration		
Audit services	3,000	3,000
Exchange losses	900	36,786
	<u>288,188</u>	<u>367,081</u>

3 Employees

Staff costs (including directors) consist of

	2010 £	2009 £
Wages and salaries	-	18,863
Social security costs	-	3,334
	<u>-</u>	<u>22,197</u>

The company employed (including directors) an average of 3 (2009 3) people during the year.

Notes (continued)

4 Interest payable and similar charges

	2010 £	2009 £
Loan interest	-	166,480
Loans from group companies	-	169,897
	<u>-</u>	<u>336,377</u>

5 Taxation

Analysis of charge in period

	2010 £	2009 £
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	39,838
	<u>-</u>	<u>39,838</u>
Tax on loss on ordinary activities	-	-

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2009 higher) than the standard rate of corporation tax in the UK (28%, 2009 28%). The differences are explained below

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	13,194	(373,251)
	<u>3,694</u>	<u>(104,510)</u>
Current tax at 28% (2009 28 %)	3,694	(104,510)
<i>Effects of</i>		
Expenses not deductible for tax purposes	(3,694)	102,723
Group losses not paid for	-	1,787
	<u>-</u>	<u>-</u>
Total current tax charge (see above)	-	-

Notes (continued)-

6 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At beginning of year	19,982	4,102,138	1,332,786	118,130	2,108,600	7,681,636
At end of year	19,982	4,102,138	1,332,786	118,130	2,108,600	7,681,636
Depreciation						
At beginning of year	6,792	258,838	961,820	71,337	1,728,368	3,027,155
Charge for year	1,695	83,948	82,480	27,375	88,790	284,288
At end of year	8,487	342,786	1,044,300	98,712	1,817,158	3,311,443
Net book value						
At 31 December 2010	11,495	3,759,352	288,486	19,418	291,442	4,370,193
At 31 December 2009	13,190	3,843,300	370,966	46,793	380,232	4,654,481

Notes (continued)

7 Fixed asset investments

	Group undertakings £
Cost	
At beginning and end of year	1,846,448
	<u>1,846,448</u>
Provisions	
At beginning and end of year	1,846,448
	<u>1,846,448</u>
Net book value	
At 31 December 2010 and 2009	-
	<u>-</u>

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
Subsidiary undertakings				
Trademet Limited (formerly Sogepar Ireland Limited)	Republic of Ireland	Ordinary	100%	Merchanting and stockholding of steel products
Apex Stainless Steels Limited	England and Wales	Ordinary	100%	Dormant
Fastmet Limited	England and Wales	Ordinary	100%	Dormant
Alversteel Limited	England and Wales	Ordinary	100%	Dormant
ASTC (UK) Limited	England and Wales	Ordinary	100%	Dormant

Notes (continued)

8 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	1,601,966	1,519,160
Other debtors	41,082	147,763
Corporation tax debtor	527,448	527,448
	<u>2,170,496</u>	<u>2,194,371</u>

All amounts shown under debtors fall due for payment within one year

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	3,019,001	3,019,001
Other creditors	-	222,913
Accruals and deferred income	225,752	232,961
	<u>3,244,753</u>	<u>3,474,875</u>

10 Called up share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

Notes (continued)

11 Reserves

	Profit and loss account £
At beginning of year	1,639,850
Profit for the year	13,194
	<hr/>
At end of year	1,653,044
	<hr/>

12 Reconciliation of movements in shareholder's funds

	2010 £	2009 £
Profit (Loss) for the year	13,194	(413,089)
Opening shareholder's funds	3,639,850	4,052,939
	<hr/>	<hr/>
Closing shareholder's funds	3,653,044	3,639,850
	<hr/>	<hr/>

13 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2010 Land and buildings £	2009 Land and buildings £
Operating leases which expire Within one year	-	82,500
	<hr/>	<hr/>
	-	82,500
	<hr/>	<hr/>

14 Ultimate parent company

The company is a subsidiary of Outokumpu Stainless Limited, a company incorporated in England and Wales. The ultimate parent company is Outokumpu Oyj, a company incorporated in Finland.

The largest and smallest company in which the results of Sogepar UK Limited are consolidated is Outokumpu Oyj. Copies of the accounts can be obtained from Outokumpu Oyj, Corporate Communications, PO Box 140, FI-02201, Espoo, Finland.