

COMPANIES HOUSE

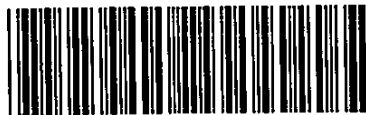
Sogepar UK Limited

**Directors' report and financial
statements**

Registered number 1707316

31 December 2011

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COMPANIES HOUSE

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2011

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 loss before taxation in the current year of £963,989 (2010 profit £13,194)

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, all expenses, with the exception of foreign exchange losses and interest payable, 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.

Following the year-end, the Aldridge property was sold. The net book value of the property and associated assets has been impaired by £1,000,000 during the current year, based on the post year-end sales value.

Directors

The directors of the company during the year were

K P J Luoto
T Mattila
A J Kinna

Auditors

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

By order of the board



R Waugh
Secretary

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

11 October 2012

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.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Sogepar UK Limited

We have audited the financial statements of Sogepar UK Limited for the year ended 31 December 2011 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 auditors

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 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.fic.org.uk/apb/scope/UKNP.

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 2011 and of its loss 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

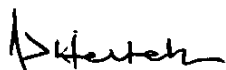
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' 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

11 October 2012

Profit and Loss Account
for the year ended 31 December 2011

	<i>Note</i>	2011 £	2010 £
Administrative expenses		(963,989)	13,194
Operating loss from discontinued operations	2	(963,989)	13,194
Profit/(Loss) on ordinary activities before taxation		(963,989)	13,194
Profit/(Loss) on ordinary activities after taxation		(963,989)	13,194

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 2011

	Note	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	5		3,098,791		4,370,193
Fixed asset investments	6		-		-
					<u>4,370,193</u>
Current assets					
Debtors	7	1,140,408		2,170,496	
Cash at bank and in hand		18,248		357,108	
					<u>2,527,604</u>
Creditors amounts falling due within one year	8	1,158,656 (1,568,392)		2,527,604 (3,244,753)	
					<u>(717,149)</u>
Net current (liabilities)/assets			(409,736)		
Total assets less current liabilities			<u>2,689,055</u>		<u>3,653,044</u>
Net assets			<u>2,689,055</u>		<u>3,653,044</u>
Capital and reserves					
Called up share capital	9		2,000,000		2,000,000
Profit and loss account	10		689,055		1,653,044
			<u>2,689,055</u>		<u>3,653,044</u>
Shareholder's funds	11		<u>2,689,055</u>		<u>3,653,044</u>

These financial statements were approved by the board of directors on ~~11 Oct 2012~~ 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 13.

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.

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.

Notes (continued)

1 Accounting policies (continued)

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

	2011 £	2010 £
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation and other amounts written off tangible fixed assets	271,402	284,288
Auditors' remuneration		
Audit services	2,000	3,000
Exchange losses/(gains)	34	900
Impairment of assets	1,000,000	-
	<u> </u>	<u> </u>

3 Employees

The company employed (including directors) an average of 3 (2010: 3) people during the year. No remuneration was paid by the company to any employee during the current or preceding years.

Notes (continued)

4 Taxation

Analysis of charge in period

	2011 £	2011 £	2010 £	2010 £
Total current tax	-	-	-	-
<i>Deferred tax</i>				
Origination/reversal of timing differences		-		-
Tax on loss on ordinary activities		-		-

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2010 higher) than the standard rate of corporation tax in the UK (20 25%, 2010 21%) The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit / (loss) on ordinary activities before tax	(963,989)	13,194
Current tax at 20 25% (2010 21%)	(195,208)	2,771
<i>Effects of</i>		
Expenses not deductible for tax purposes	202,500	(2,771)
Other timing differences	(7,292)	-
Total current tax charge (see above)	-	-

Notes (continued)

5 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	8,487	342,786	1,044,300	98,712	1,817,158	3,311,443
Charge for year	1,695	83,947	80,518	19,418	85,824	271,402
Impairment of Assets	-	1,000,000	-	-	-	1,000,000
At end of year	10,182	1,426,733	1,124,818	118,130	1,902,982	3,582,845
Net book value						
At 31 December 2011	9,800	2,675,405	207,968	-	205,618	3,098,791
At 31 December 2010	11,495	3,759,352	288,486	19,418	291,442	4,370,193

Notes (continued)

6 Fixed asset investments

	Group undertakings £
<i>Cost</i>	
At beginning and end of year	1,846,448
<i>Provisions</i>	
At beginning and end of year	1,846,448
<i>Net book value</i>	
At 31 December 2011 and 2010	-

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>				
Sogepar Ireland Limited (formerly Trademet 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)

7 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	1,138,026	1,601,966
Other debtors	2,382	41,082
Corporation tax debtor	-	527,448
	<u>1,140,408</u>	<u>2,170,496</u>

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

8 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	1,350,001	3,019,001
Accruals and deferred income	218,391	225,752
	<u>1,568,392</u>	<u>3,244,753</u>

9 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
<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)

10 Reserves

	Profit and loss account £
At beginning of year	1,653,044
Profit for the year	(963,989)
At end of year	<u>689,055</u>

11 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Profit (Loss) for the year	(963,989)	13,194
Opening shareholder's funds	<u>3,653,044</u>	<u>3,639,850</u>
Closing shareholder's funds	<u>2,689,055</u>	<u>3,653,044</u>

12 Post balance sheet event

Following the year-end, the Aldridge site, and associated fixed assets were sold. An impairment has been taken in the current year to write the fixed asset down to its sales value.

13 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.