

Registration number: 08161723

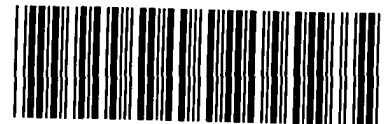
# Sverdrup Steel UK Limited

Financial Statements

for the Year Ended 31 December 2019



THURSDAY



\*A906VEHM\*

A06

05/03/2020

#156

COMPANIES HOUSE

# **Sverdrup Steel UK Limited**

## **Contents**

Balance Sheet	1
Notes to the Financial Statements	2 to 7

# Sverdrup Steel UK Limited

(Registration number: 08161723)

## Balance Sheet as at 31 December 2019

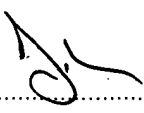
	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	3	176,004	135,276
<b>Current assets</b>			
Stocks	4	1,551,694	1,362,452
Debtors	5	724,739	947,323
Cash at bank and in hand		286	163
		<u>2,276,719</u>	<u>2,309,938</u>
<b>Creditors: Amounts falling due within one year</b>	6	<u>(1,585,500)</u>	<u>(1,818,521)</u>
<b>Net current assets</b>		<u>691,219</u>	<u>491,417</u>
<b>Total assets less current liabilities</b>		867,223	626,693
<b>Creditors: Amounts falling due after more than one year</b>	6	(37,355)	-
<b>Provisions for liabilities</b>		<u>(16,000)</u>	<u>-</u>
<b>Net assets</b>		<u>813,868</u>	<u>626,693</u>
<b>Capital and reserves</b>			
Called up share capital		800,000	800,000
Profit and loss account		<u>13,868</u>	<u>(173,307)</u>
<b>Total equity</b>		<u>813,868</u>	<u>626,693</u>

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Directors' Report and the Profit and Loss Account has been taken.

### Audit report

The Independent Auditor's Report was unqualified, with no emphasis of matter. The name of the Senior Statutory Auditor who signed the audit report on 20 February 2020 was Craig Burton, who signed for and on behalf of Hawsons Chartered Accountants.

These financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A Small Entities, were approved and authorised for issue by the Board on 20 February 2020 and signed on its behalf by:

  
.....  
J Murray  
Director

# **Sverdrup Steel UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **1 Accounting policies**

#### **Statutory information**

Sverdrup Steel UK Limited is a private company, limited by shares, domiciled in England and Wales, company number 08161723. The registered office is at Unit A1, Old Colliery Way, Beighton, Sheffield, S20 1DJ.

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There has been no material departure from this standard.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The presentation currency is United Kingdom pounds sterling, which is the functional currency of the company. The financial statements are those of an individual entity.

#### **Going concern**

After due consideration of all relevant factors, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is recognised when goods are despatched to customers and is shown net of value added tax, returns, rebates and discounts.

#### **Tax**

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax balances are recognised in respect of all timing differences that have originated but are not reversed by the Statement of Financial Position date.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## Sverdrup Steel UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 1 Accounting policies (continued)

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvements	the term of the lease
Plant, machinery and vehicles	3-10 years
Fixtures, fittings, tools and equipment	5 years

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises of direct materials. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **Sverdrup Steel UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

##### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the statement of comprehensive income.

#### **2 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 9 (2018 - 7).

# Sverdrup Steel UK Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 3 Tangible assets

	Leasehold improvements £	Plant and machinery £	Furniture, fixture and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	45,687	266,778	13,785	326,250
Additions	6,085	67,874	5,707	79,666
Disposals	(10,293)	(1,788)	-	(12,081)
At 31 December 2019	<u>41,479</u>	<u>332,864</u>	<u>19,492</u>	<u>393,835</u>
<b>Depreciation</b>				
At 1 January 2019	26,163	151,026	13,785	190,974
Charge for the year	4,623	29,197	300	34,120
Eliminated on disposal	(6,518)	(745)	-	(7,263)
At 31 December 2019	<u>24,268</u>	<u>179,478</u>	<u>14,085</u>	<u>217,831</u>
<b>Carrying amount</b>				
At 31 December 2019	<u>17,211</u>	<u>153,386</u>	<u>5,407</u>	<u>176,004</u>
At 31 December 2018	<u>19,524</u>	<u>115,752</u>	<u>-</u>	<u>135,276</u>

### 4 Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>1,551,694</u>	<u>1,362,452</u>

### 5 Debtors

	2019 £	2018 £
Trade debtors	665,582	741,888
Amounts owed by group undertakings	12,422	146,382
Prepayments	46,735	44,048
Other debtors	-	15,005
	<u>724,739</u>	<u>947,323</u>

## Sverdrup Steel UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 6 Creditors

	2019 £	2018 £
<b>Due within one year</b>		
Bank loans and overdrafts	705,420	669,790
Trade creditors	583,251	1,004,390
Amounts owed to group undertakings	153,266	103,804
Taxation and social security	95,662	14,000
Obligation under finance lease and hire purchase contracts	8,520	-
Accruals and deferred income	39,381	26,537
	<u>1,585,500</u>	<u>1,818,521</u>
	2019 £	2018 £
<b>Due after one year</b>		
Obligation under finance lease and hire purchase contracts	<u>37,355</u>	<u>-</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured totalling £751,295 (2018 - £669,790).

Bank loans and overdrafts are secured by an unlimited cross guarantee with Sverdrup Steel AS. Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

#### 7 Financial commitments, guarantees and contingencies

##### Operating leases

As at the balance sheet date, the company had total commitments under non-cancellable operating leases over the remaining term of those leases of £360,224 (2018 - £494,052).

#### 8 Related party transactions

The largest group and smallest in which the results of the company are consolidated is that headed by Sverdrup Steel AS, incorporated in Norway. The consolidated accounts of Sverdrup Steel AS are available to the public and may be obtained from Strandsvingen 2, 4032 Stavanger, Norway.

During the year, the company made sales of £1,390,293 (2018 - £1,149,285) and made purchases of £782,357 (2018 - £622,971) from its ultimate parent company. The amount owed by the parent company to Sverdrup Steel UK Limited at 31 December 2019 amounted to £12,422 (2018 - £146,382), with an amount of £153,266 (2018 - £103,804) being owed to the parent company.

## **Sverdrup Steel UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **9 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent is Sverdrup Steel AS, incorporated in Norway.