

Registered number: 08161723

**SVERDRUP STEEL UK LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**SVERDRUP STEEL UK LIMITED**  
**REGISTERED NUMBER: 08161723**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**


	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	4	83,319	106,758
<b>Current assets</b>			
Stocks	5	1,215,166	1,723,633
Debtors: amounts falling due within one year	6	879,554	428,800
Cash at bank and in hand		206,014	96
		<u>2,300,734</u>	<u>2,152,529</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(961,527)	(1,469,202)
<b>Net current assets</b>		<u>1,339,207</u>	<u>683,327</u>
<b>Total assets less current liabilities</b>		<u>1,422,526</u>	<u>790,085</u>
<b>Provisions for liabilities</b>			
Deferred tax		(15,705)	(11,489)
<b>Net assets</b>		<u><u>1,406,821</u></u>	<u><u>778,596</u></u>
<b>Capital and reserves</b>			
Called up share capital		800,000	800,000
Profit and loss account		606,821	(21,404)
		<u><u>1,406,821</u></u>	<u><u>778,596</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



**D Sims**  
**Director**

21 July 2023

The notes on pages 2 to 7 form part of these financial statements.

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## **SVERDRUP STEEL UK LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **1. General information**

The Company is a private Company limited by shares and is incorporated and registered in England and Wales, registration number 08161723.

The registered office is Unit A1, Old Colliery Way, Beighton, Sheffield, S20 1DJ.

The principal activity of the Company during the year was that of stockholders and distributors of steel.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

After due consideration of all relevant factors, including the current economic instability being caused by the Ukraine conflict, 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. In addition the parent Company, Sverdrup Steel AS, has provided assurances that it will continue to support the Company for the foreseeable future.

##### **2.3 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### **2.4 Turnover**

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, rebates and discounts.

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## **SVERDRUP STEEL UK LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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## **2. Accounting policies (continued)**

### **2.5 Pensions**

#### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

### **2.6 Current and deferred taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not recognised in respect of permanent differences.

### **2.7 Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- the term of the lease
Plant and machinery	- 3 to 10 years
Fixtures and fittings	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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## **SVERDRUP STEEL UK LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **2. Accounting policies (continued)**

##### **2.8 Stocks**

Stocks are valued at the lower of either cost or net realisable value after making due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, a provision is calculated accordingly based on stock ageing, excess over requirement and obsolescence together with experience of the market. The impairment loss is recognised immediately in profit or loss.

##### **2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Debtors**

Short-term debtors are measured at transaction price, less any impairment.

##### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

##### **Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **3. Employees**

The average monthly number of employees, including directors, during the year was 6 (2021: 6).

**SVERDRUP STEEL UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Tangible fixed assets**

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	46,268	332,864	26,313	405,445
Additions	-	5,295	-	5,295
At 31 December 2022	46,268	338,159	26,313	410,740
<b>Depreciation</b>				
At 1 January 2022	34,939	245,862	17,886	298,687
Charge for the year on owned assets	4,719	21,615	2,400	28,734
At 31 December 2022	39,658	267,477	20,286	327,421
<b>Net book value</b>				
At 31 December 2022	6,610	70,682	6,027	83,319
At 31 December 2021	11,329	87,002	8,427	106,758

**5. Stocks**

	2022 £	2021 £
Goods held for resale	1,215,166	1,723,633

The carrying value of stocks are stated net of impairment losses totalling £302,989 (2021: £110,727). Impairment losses totalling £192,262 (2021: £85,664) were recognised in profit and loss.

## SVERDRUP STEEL UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6. Debtors

	2022 £	2021 £
Trade debtors	726,597	364,171
Other debtors	92,261	-
Prepayments and accrued income	60,696	64,629
	<u>879,554</u>	<u>428,800</u>

#### 7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	-	214,226
Trade creditors	247,545	101,228
Amounts owed to group undertakings	262,913	924,700
Corporation tax	145,796	-
Other taxation and social security	148,067	214,244
Accruals and deferred income	157,206	14,804
	<u>961,527</u>	<u>1,469,202</u>

Bank loans and overdrafts are secured by a group cash pooling arrangement owned by Sverdrup Steel AS. A credit facility of up to £1,500,000 is secured by an unlimited cross guarantee with Sverdrup Steel AS.

#### 8. Pension commitments

The Company participates in a defined contributions pension scheme for the benefit of all enrolled UK employees. The amount outstanding at the year end was £2,341 (2021: £1,904). The amount payable to the scheme during the year was £9,789 (2021: £17,164).

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## SVERDRUP STEEL UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 9. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	135,000	125,116
Later than 1 year and not later than 5 years	123,750	-
	<u>258,750</u>	<u>125,116</u>

#### 10. Related party transactions

The Company has taken advantage of the exemption contained within section 33.1A of FRS102 not to disclose transactions with wholly owned members of the same group.

#### 11. Controlling party

The Company's immediate parent company is Sverdrup Steel AS, a company incorporated in Norway. The registered office of this company is Strandsvingen 2, 4032 Stavanger, Norway. The immediate parent company is the smallest group in which the results are consolidated.

The ultimate parent company is Sverdrup Holdings Inc., a company incorporated in the United States of America.

#### 12. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 26 July 2023 by Dave Darlaston (Senior statutory auditor) on behalf of Crowe U.K. LLP.