

**Pioner Fristads (UK) Limited**

**Directors' report and financial  
statements**

**Registered number 3131122**

**31 December 2007**

MONDAY



\*AU4754BZ\*

A20

27/10/2008

133

COMPANIES HOUSE

## Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Pioner Fristads (UK) Limited	4
Profit and loss account	6
Balance sheet	7
Notes	8

## Company information

<b>Directors</b>	P Moore (appointed 1 May 2008) J Nilsson (appointed 1 November 2007) T W S Ronke (appointed 1 November 2007) Mrs A Owles (resigned 16 May 2008) G H Solsnes (resigned 1 November 2007) M S Ljungdahl (resigned 1 November 2007) A G Pedersen
<b>Secretary</b>	P Moore
<b>Company Number</b>	3131122
<b>Registered Office</b>	7 Wensum Mount Business Centre Low Road Hellesdon Norwich Norfolk NR6 5AQ
<b>Auditors</b>	KPMG LLP 6 Lower Brook Street Ipswich Suffolk IP4 1AP
<b>Bankers</b>	Nordea Bank Finland Plc London Branch 8 <sup>th</sup> Floor, City Place House 55 Basinghall Street London EC2V 5NB

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### Principal activities

The Company's principal activity continues to be the manufacturing and sale of protective clothing and workwear

### Business review

In 2007, the turnover of the company increased due largely to the increased demand for PPE clothing from the offshore oil and gas market

The company also had some success in increasing the turnover of the Fristads and Kansas ranges of workwear by appointing new distributors in the UK and new distributor in Ireland

### Dividends

The Directors do not recommend the payment of a dividend (2006 nil)

### Political and charitable contributions

The company made no political or charitable contributions during the year

### Directors

The directors of the company who served throughout the year (unless otherwise stated) are detailed on page 1

### Auditors

A resolution to re-appoint KPMG LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

By order of the board



**P Moore**  
*Secretary/Director*

7 Wensum Mount Business Centre  
Low Road  
Hellesdon  
Norwich  
Norfolk  
NR6 5AQ

## **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)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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

6 Lower Brook Street  
Ipswich  
IP4 1AP  
United Kingdom

### **Independent auditors' report to the members of Pioner Fristads (UK) Limited**

We have audited the financial statements of Pioner Fristads (UK) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **Independent auditors' report to the members of Pioner Fristads (UK) Limited** *(continued)*

## **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

24 October 2008

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

**Profit and loss account**  
*for the year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> £	<b>2006</b> £
<b>Turnover</b>	<i>1</i>	<b>7,070,725</b>	<b>7,259,903</b>
Cost of sales		<b>(5,569,329)</b>	<b>(5,847,927)</b>
<b>Gross profit</b>		<b>1,501,396</b>	<b>1,411,976</b>
Selling and distribution costs		<b>(175,796)</b>	<b>(523,196)</b>
Administrative expenses			
Administrative - normal		<b>(740,002)</b>	<b>(401,065)</b>
Administrative - exceptional		<b>-</b>	<b>(98,146)</b>
<b>Operating profit</b>	<i>2-4</i>	<b>585,598</b>	<b>389,569</b>
Other interest receivable and similar income			
Interest payable and similar charges	<i>5</i>	<b>(5,436)</b>	<b>(29,520)</b>
<b>Profit on ordinary activities before taxation</b>		<b>580,162</b>	<b>360,049</b>
Tax on profit on ordinary activities	<i>6</i>	<b>(174,929)</b>	<b>(116,475)</b>
<b>Profit on ordinary activities after taxation</b>	<i>13</i>	<b>405,233</b>	<b>243,574</b>

All of the company's results are derived from continuing activities

There were no recognised gains or losses in either the current financial year or the preceding financial year except for those shown above.

The notes on pages 8 to 15 form part of these financial statements



**Balance sheet**  
*At 31 December 2007*

	<i>Note</i>	<b>2007</b>		<b>2006</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	7		15,613		15,918
<b>Current assets</b>					
Stocks	8	-		29,724	
Debtors	9	1,863,038		1,706,861	
Cash at bank and in hand		259,072		163,907	
		<u>2,122,110</u>		<u>1,900,492</u>	
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,081,217)</b>		<b>(1,265,137)</b>	
<b>Net current assets</b>			<b>1,040,893</b>		<b>635,355</b>
<b>Total assets less current liabilities</b>			<b>1,056,506</b>		<b>651,723</b>
<b>Net assets</b>			<b>1,056,506</b>		<b>651,723</b>
<b>Capital and reserves</b>					
Called up share capital	11	50,002		50,002	
Profit and loss account	12	1,006,504		601,271	
<b>Shareholders' funds</b>	13	<b>1,056,506</b>		<b>651,273</b>	

These financial statements were approved by the board of directors on 20/10/08 and were signed on its behalf by



**P Moore**  
*Director*

## 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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Kwintet AS (incorporated in Norway), the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Kwintet AS, within which this company is included, can be obtained from the address given in note 16

#### ***Turnover***

Turnover comprises the invoiced value of goods and services supplied to the company, exclusive of Value Added Tax and trade discounts

#### ***Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Short-term leasehold land and buildings	-	over life of lease
Motor vehicles	-	25% reducing balance
Plant and machinery	-	20% reducing balance
Office equipment	-	20% reducing balance

#### ***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 rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

#### ***Post-retirement benefits***

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### ***Stocks and work in progress***

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

## Notes (continued)

### Deferred taxation

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 Profit on ordinary activities before taxation

	2007 £	2006 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation of tangible fixed assets		
- Owned by the company	5,946	23,808
Hire of other assets – operating leases	69,779	68,227
Auditors' remuneration	6,000	5,500
Loss on disposal of fixed assets	-	14,066
Foreign exchange loss/(gain)	35,171	(4,032)
	<hr/>	<hr/>

### 3 Directors' emoluments

	2007 £	2006 £
Directors' emoluments	64,000	80,146
Company contributions to money purchase pension schemes	2,562	2,574
	<hr/>	<hr/>
	66,562	82,720
	<hr/>	<hr/>

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2007	2006
Management & Administration	12	10
Factory & Warehouse	-	11
	<u>12</u>	<u>21</u>

The aggregate payroll costs of these persons were as follows

	2007	2006
	£	£
Wages and salaries	334,410	523,999
Social security costs	40,370	43,245
Directors' pension costs	2,562	2,574
Other pension costs	4,019	3,517
	<u>381,361</u>	<u>573,335</u>

### 5 Interest payable and similar charges

	2007	2006
	£	£
On bank loans and overdrafts	224	21,649
Loan from parent undertaking	5,212	7,871
	<u>5,436</u>	<u>29,520</u>

## Notes (continued)

### 6 Taxation

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the period	174,255	116,475
Adjustments in respect of prior periods	674	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	174,929	116,475
	<hr/>	<hr/>

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is lower (2006 higher) than the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	580,162	360,049
	<hr/>	<hr/>
Current tax at 30% (2006 30%)	174,049	108,015
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	3,119	5,072
Depreciation (less than)/in excess of capital allowances	(1,606)	3,388
Adjustments in respect of prior periods	674	-
Short term timing difference	(1,307)	-
	<hr/>	<hr/>
Total current tax (see above)	174,929	116,475
	<hr/>	<hr/>

A deferred tax asset of £3,581 (2006 £5,187) arising due to depreciation in excess of capital allowances has not been recognised as there is insufficient evidence that the asset is recoverable

## Notes (continued)

### 7 Tangible fixed assets

	Leasehold property £	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>				
At 1 January 2007	4,873	15,155	67,948	87,976
Additions	-	-	5,641	5,641
Disposals	-	(15,155)	-	(15,155)
At 31 December 2007	4,873	-	73,589	78,462
<i>Depreciation</i>				
At 1 January 2007	1,706	15,155	55,197	72,058
Change for the year	1,320	-	4,626	5,946
On disposals	-	(15,155)	-	(15,155)
At 31 December 2007	3,026	-	59,823	62,849
<b>Net book value</b>				
At 31 December 2007	1,847	-	13,766	15,613
At 31 December 2006	3,167	-	12,751	15,918

### 8 Stocks

	2007 £	2006 £
Finished goods	-	29,724
	-	29,724

## Notes (continued)

### 9 Debtors

	2007 £	2006 £
<b>Due within one year</b>		
Trade debtors	1,854,515	1,698,332
Other debtors	8,523	8,529
	<u>1,863,038</u>	<u>1,706,861</u>

### 10 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	26,612	658,488
Amounts owed to group undertakings	572,800	125,947
Corporation tax	82,005	117,730
Social security and other taxes	329,534	298,574
Other creditors	18,850	2,174
Accruals and deferred income	51,416	62,224
	<u>1,081,217</u>	<u>1,265,137</u>

## Notes (continued)

### 11 Called up share capital

	2007 £	2006 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
50,002 ordinary shares of £1 each	50,002	50,002

### 12 Reconciliation of movements in reserves

	Profit and loss account 2007 £	Profit and loss account 2006 £
Balance brought forward	601,271	357,697
Retained profit for the financial year	405,233	243,574
Balance carried forward	1,006,504	601,271

### 13 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	405,233	243,574
Opening shareholders' funds	651,273	407,699
Closing shareholders' funds	1,056,506	651,273

### 14 Commitments

At 31 December the company had annual commitments under non-cancellable operating leases as follows

	Land & Buildings 2007 £	Others 2007 £	Land & Buildings 2006 £	Others 2006 £
<b>Expiry date:</b>				
Expiring within 1 year	-	592	-	-
Between 2 and 5 years	-	14,309	-	22,135
Greater than 5 years	40,000	-	34,290	-
	40,000	14,901	34,290	22,135



## Notes *(continued)*

### 15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £ 6,581 (2006 £6,092)

### 16 Controlling party

Pioner Fristads AB (incorporated in Sweden) is the company's parent undertaking and Kwintet AS (incorporated in Denmark) is the ultimate controlling party. The consolidated accounts of this company are available to the public and may be obtained from Kwintet a/s, Blangstedgaardsveg 66, Dk-5220 Odense SO, Denmark. Group accounts include the results of the company.