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REGISTERED NUMBER: 03879828 (England and Wales)

**JOTUL (UK) LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

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COMPANIES HOUSE

Ormerod Rutter Limited  
Registered Auditor  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# **JOTUL (UK) LIMITED**

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**JOTUL (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

<b>DIRECTORS:</b>	Mr E Moe Mr N S Sloane Mr G C Hjortaas R Christensen
<b>SECRETARY:</b>	Gray's Inn Secretaries Limited
<b>REGISTERED OFFICE:</b>	Five Chancery Lane Cliffords Inn London EC4A 1BU
<b>REGISTERED NUMBER:</b>	03879828 (England and Wales)
<b>AUDITORS:</b>	Ormerod Rutter Limited Registered Auditor The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
<b>BANKERS:</b>	Den Norske Bank 20 St Dunstan's Hill London EC3R 8HY

## **JOTUL (UK) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2008**

The directors present their report with the financial statements of the company for the year ended 31st December 2008.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the import and distribution of heating appliances.

#### **REVIEW OF BUSINESS**

The directors consider the profit achieved on ordinary activities before taxation to be particularly satisfactory given the current economic climate.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2008.

#### **FUTURE DEVELOPMENTS**

The directors are looking forward to another profitable year.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2008 to the date of this report.

Mr E Moe  
Mr N S Sloane  
Mr G C Hjortaas

Other changes in directors holding office are as follows:

Mr H J Heidenstrom - resigned 24th November 2008  
R Christensen - appointed 24th November 2008

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**JOTUL (UK) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2008**

**AUDITORS**

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'N. S. Sloane', written over the text 'ON BEHALF OF THE BOARD:'.

Mr N S Sloane - Director

19th January 2009

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF JOTUL (UK) LIMITED**

We have audited the financial statements of Jotul (UK) Limited for the year ended 31st December 2008 on pages five to twelve. 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 auditors' 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 Report of the Directors 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 Report of the Directors 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 judgements 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.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 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 Report of the Directors is consistent with the financial statements.



Ormerod Rutter Limited  
Registered Auditor  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

30th January 2009

**JOTUL (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

	Notes	2008 £	2007 £
<b>TURNOVER</b>	2	4,289,278	3,124,317
Cost of sales		<u>3,051,305</u>	<u>1,952,142</u>
<b>GROSS PROFIT</b>		1,237,973	1,172,175
Administrative expenses		<u>1,004,492</u>	<u>905,715</u>
<b>OPERATING PROFIT</b>	4	233,481	266,460
Interest receivable and similar income		<u>4,972</u>	<u>2,517</u>
		238,453	268,977
Interest payable and similar charges	5	<u>25,088</u>	<u>29,428</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		213,365	239,549
Tax on profit on ordinary activities	6	<u>64,789</u>	<u>84,664</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>148,576</u>	<u>154,885</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.

**JOTUL (UK) LIMITED**

**BALANCE SHEET  
31ST DECEMBER 2008**

		2008	2007
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	-	23,077
Tangible assets	9	71,965	80,463
		<u>71,965</u>	<u>103,540</u>
<b>CURRENT ASSETS</b>			
Stocks	10	513,794	369,953
Debtors	11	816,733	857,161
Cash at bank and in hand		167,583	110,444
		<u>1,498,110</u>	<u>1,337,558</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	1,172,578	1,192,177
<b>NET CURRENT ASSETS</b>		<u>325,532</u>	<u>145,381</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		397,497	248,921
<b>PROVISIONS FOR LIABILITIES</b>	16	7,197	7,197
<b>NET ASSETS</b>		<u><u>390,300</u></u>	<u><u>241,724</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	200,000	200,000
Profit and loss account	18	190,300	41,724
<b>SHAREHOLDERS' FUNDS</b>	22	<u><u>390,300</u></u>	<u><u>241,724</u></u>

The financial statements were approved by the Board of Directors on 19th January 2009 and were signed on its behalf by:



Mr N S Sloane - Director

The notes form part of these financial statements



## **JOTUL (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and applicable accounting standards. There were no material departures from those standards.

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 20% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost and 10% on cost
Exhibition costs	- 33% on cost

##### **Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs incurred in bringing it to its present location.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Research and development**

Expenditure on research and development is capitalised where it is expected to generate future economic benefits. Amortisation is charged over its expected useful life once the project is completed.

##### **Foreign exchange**

Although the parent company is based in Norway, all transactions with the company for the year have been conducted in pounds sterling.

Other transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

#### **2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

**JOTUL (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2008**

**3. STAFF COSTS**

	2008	2007
	£	£
Wages and salaries	477,271	430,584
Other pension costs	14,515	8,927
	<u>491,786</u>	<u>439,511</u>

The average monthly number of employees during the year was as follows:

	2008	2007
Administration	6	5
Works	4	4
	<u>10</u>	<u>9</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2008	2007
	£	£
Hire of plant and machinery	1,588	1,930
Depreciation - owned assets	28,134	25,080
Depreciation - assets on hire purchase contracts	-	1,521
Research and development amortisation	-	5,769
Auditors' remuneration	3,680	3,500
	<u>154,756</u>	<u>165,090</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Bank interest	25,080	29,282
Hire purchase interest	8	146
	<u>25,088</u>	<u>29,428</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2008	2007
	£	£
Current tax:		
UK corporation tax	63,919	81,276
Under/over provision	870	3,388
	<u>64,789</u>	<u>84,664</u>

# JOTUL (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2008

### 6. TAXATION - continued

#### Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>213,365</u>	<u>239,549</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%)	64,010	71,865
Effects of: Expenses not deductible for tax purposes in excess of depreciation	(91)	9,411
Under/over provision	<u>870</u>	<u>3,388</u>
Current tax charge	<u>64,789</u>	<u>84,664</u>

### 7. DIVIDENDS

	2008 £	2007 £
Ordinary shares of £1 each Final	<u>-</u>	<u>250,000</u>

### 8. INTANGIBLE FIXED ASSETS

	Research and development £
<b>COST</b>	
At 1st January 2008	28,846
Impairments	<u>(28,846)</u>
At 31st December 2008	-
<b>AMORTISATION</b>	
At 1st January 2008	5,769
Impairments	<u>(5,769)</u>
At 31st December 2008	-
<b>NET BOOK VALUE</b>	
At 31st December 2008	-
At 31st December 2007	<u>23,077</u>

**JOTUL (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2008**

**9. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Exhibition costs £	Totals £
<b>COST</b>					
At 1st January 2008	32,943	82,701	70,687	17,450	203,781
Additions	3,658	5,279	10,699	-	19,636
	<u>36,601</u>	<u>87,980</u>	<u>81,386</u>	<u>17,450</u>	<u>223,417</u>
<b>DEPRECIATION</b>					
At 1st January 2008	11,743	58,508	35,617	17,450	123,318
Charge for year	7,076	8,399	12,659	-	28,134
	<u>18,819</u>	<u>66,907</u>	<u>48,276</u>	<u>17,450</u>	<u>151,452</u>
<b>NET BOOK VALUE</b>					
At 31st December 2008	<u>17,782</u>	<u>21,073</u>	<u>33,110</u>	<u>-</u>	<u>71,965</u>
At 31st December 2007	<u>21,200</u>	<u>24,193</u>	<u>35,070</u>	<u>-</u>	<u>80,463</u>

The net book value of tangible fixed assets includes £0 (2007 - £7,375) in respect of assets held under hire purchase contracts.

**10. STOCKS**

	2008 £	2007 £
Stocks	<u>513,794</u>	<u>369,953</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade debtors	797,707	820,186
Amounts owed by group undertakings	2,192	2,192
Tax	-	5,744
Prepayments and accrued income	16,834	29,039
	<u>816,733</u>	<u>857,161</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts (see note 13)	37,557	713,545
Hire purchase contracts (see note 14)	-	811
Trade creditors	838,526	261,634
Tax	64,025	81,276
Social security and other taxes	11,639	10,398
VAT	10,938	-
Other creditors	5,163	-
Accruals and deferred income	204,730	124,513
	<u>1,172,578</u>	<u>1,192,177</u>

**JOTUL (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2008**

**13. LOANS**

An analysis of the maturity of loans is given below:

	2008 £	2007 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>37,557</u>	<u>713,545</u>

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	2008 £	2007 £
		Hire purchase contracts
Net obligations repayable:		
Within one year	<u>-</u>	<u>811</u>

The following operating lease payments are committed to be paid within one year:

	2008 £	2007 £	2008 £	2007 £
			Land and buildings	Other operating leases
Expiring:				
Within one year	-	-	9,174	-
Between one and five years	<u>51,252</u>	<u>51,252</u>	<u>-</u>	<u>14,810</u>
	<u>51,252</u>	<u>51,252</u>	<u>9,174</u>	<u>14,810</u>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2008 £	2007 £
Bank overdrafts	<u>37,557</u>	<u>713,545</u>

**16. PROVISIONS FOR LIABILITIES**

	2008 £	2007 £
Deferred tax	<u>7,197</u>	<u>7,197</u>
		Deferred tax
		£
Balance at 1st January 2008		<u>7,197</u>
Balance at 31st December 2008		<u>7,197</u>

# JOTUL (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2008

### 17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008 £	2007 £
200,000	Ordinary	£1	<u>200,000</u>	<u>200,000</u>

### 18. RESERVES

	Profit and loss account £
At 1st January 2008	41,724
Profit for the year	<u>148,576</u>
At 31st December 2008	<u>190,300</u>

### 19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Assets of the scheme are held in an independently administered fund. Pension costs of £14,515 (2007 £8,927) were charged to the profit and loss account in the year. At the year end there were £3,250 (2007 £1,750) of outstanding pension contributions.

### 20. ULTIMATE PARENT COMPANY

The directors consider that the holding company is Jotul AS, a company registered in Norway.

### 21. RELATED PARTY DISCLOSURES

During the year the company traded with Jotul ASA, Scan Denmark and Hammerstrom .

Transactions during the year in aggregate amounted to purchases and freight of £2,649,837.

At the year end, invoices totalling £253,408 were received from Jotul AS and Scan Denmark, in respect of group transfer pricing adjustments for the 2008 year.

Balances outstanding at the year end amounted to £784,242 (trade creditors), and £2,192 (amounts owed by group undertakings).

### 22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	148,576	154,885
Dividends	-	(250,000)
<b>Net addition/(reduction) to shareholders' funds</b>	<u>148,576</u>	<u>(95,115)</u>
Opening shareholders' funds	241,724	336,839
<b>Closing shareholders' funds</b>	<u>390,300</u>	<u>241,724</u>