

**JOTUL (UK) LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

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

MONDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31ST DECEMBER 2010**

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**JOTUL (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

<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 Statutory Auditor The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY
<b>BANKERS:</b>	Nordea Bank Finland Plc City Place House 55 Basinghall St London EC2V 5NB

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

The directors present their report with the financial statements of the company for the year ended 31st December 2010

**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 2010

**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 2010 to the date of this report

Mr E Moe  
Mr N S Sloane  
Mr G C Hjortaa  
R Christensen

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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). 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 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 accounting 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 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 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 418 of the Companies Act 2006) 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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



Mr N S Sloane - Director

Date 28/02/11

**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 2010 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

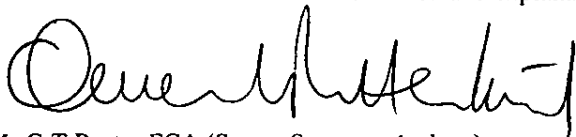
**Opinion on other matter prescribed by the Companies Act 2006**

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

**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.



Mr G T Rutter FCA (Senior Statutory Auditor)  
for and on behalf of Ormerod Rutter Limited  
Statutory Auditor  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

Date

7/3/2011

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>	2	4,128,442	4,236,751
Cost of sales		3,047,876	3,166,605
<b>GROSS PROFIT</b>		1,080,566	1,070,146
Administrative expenses		859,376	840,450
<b>OPERATING PROFIT</b>	4	221,190	229,696
Interest receivable and similar income		-	69
		221,190	229,765
Interest payable and similar charges	5	3,719	4,204
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		217,471	225,561
Tax on profit on ordinary activities	6	71,229	72,845
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		146,242	152,716

**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

**BALANCE SHEET**  
**31ST DECEMBER 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Intangible assets	7	28,198	-
Tangible assets	8	59,995	75,240
		<u>88,193</u>	<u>75,240</u>
<b>CURRENT ASSETS</b>			
Stocks	9	302,338	291,871
Debtors	10	882,815	751,646
Cash at bank and in hand		401,037	255,771
		<u>1,586,190</u>	<u>1,299,288</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	977,928	824,315
<b>NET CURRENT ASSETS</b>		<u>608,262</u>	<u>474,973</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>696,455</u>	<u>550,213</u>
<b>PROVISIONS FOR LIABILITIES</b>	13	7,197	7,197
<b>NET ASSETS</b>		<u><u>689,258</u></u>	<u><u>543,016</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	200,000	200,000
Profit and loss account	15	489,258	343,016
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>689,258</u></u>	<u><u>543,016</u></u>

The financial statements were approved by the Board of Directors on *28th January* and were signed on its behalf by



Mr N S Sloane - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**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.

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

**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.

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**

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

**3 STAFF COSTS**

	2010	2009
	£	£
Wages and salaries	426,575	461,217
Other pension costs	13,085	14,440
	<u>439,660</u>	<u>475,657</u>

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

	2010	2009
Administration	6	6
Works	4	4
	<u>10</u>	<u>10</u>

**4 OPERATING PROFIT**

The operating profit is stated after charging

	2010	2009
	£	£
Hire of plant and machinery	2,287	1,596
Depreciation - owned assets	26,628	28,622
Auditors' remuneration	5,000	3,220
Foreign exchange differences	1,167	-
	<u>34,082</u>	<u>32,438</u>
Directors' remuneration	<u>136,802</u>	<u>128,428</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010	2009
	£	£
Bank interest	<u>3,719</u>	<u>4,204</u>

**6 TAXATION****Analysis of the tax charge**

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

	2010	2009
	£	£
Current tax		
UK corporation tax	71,229	62,803
Under/over provision	-	10,042
	<u>71,229</u>	<u>72,845</u>
Tax on profit on ordinary activities	<u>71,229</u>	<u>72,845</u>

UK corporation tax has been charged at 28%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

**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

	2010 £	2009 £
Profit on ordinary activities before tax	<u>217,471</u>	<u>225,561</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	60,892	63,157
Effects of Expenses not deductible for tax purposes in excess of depreciation	4,350	(354)
Under/over provision	<u>5,987</u>	<u>10,042</u>
Current tax charge	<u><u>71,229</u></u>	<u><u>72,845</u></u>

**7 INTANGIBLE FIXED ASSETS**

	Research and development £
<b>COST</b>	
Additions	<u>28,198</u>
At 31st December 2010	<u>28,198</u>
<b>NET BOOK VALUE</b>	
At 31st December 2010	<u><u>28,198</u></u>

**8 TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Exhibition costs £	Totals £
<b>COST</b>					
At 1st January 2010	53,446	98,325	86,093	17,450	255,314
Additions	<u>1,761</u>	<u>9,204</u>	<u>419</u>	<u>-</u>	<u>11,384</u>
At 31st December 2010	<u>55,207</u>	<u>107,529</u>	<u>86,512</u>	<u>17,450</u>	<u>266,698</u>
<b>DEPRECIATION</b>					
At 1st January 2010	27,543	77,453	57,629	17,450	180,075
Charge for year	<u>10,896</u>	<u>8,926</u>	<u>6,806</u>	<u>-</u>	<u>26,628</u>
At 31st December 2010	<u>38,439</u>	<u>86,379</u>	<u>64,435</u>	<u>17,450</u>	<u>206,703</u>
<b>NET BOOK VALUE</b>					
At 31st December 2010	<u><u>16,768</u></u>	<u><u>21,150</u></u>	<u><u>22,077</u></u>	<u><u>-</u></u>	<u><u>59,995</u></u>
At 31st December 2009	<u><u>25,903</u></u>	<u><u>20,872</u></u>	<u><u>28,464</u></u>	<u><u>-</u></u>	<u><u>75,239</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

**14 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value £1	2010 £	2009 £
200,000	Ordinary		<u>200,000</u>	<u>200,000</u>

**15 RESERVES**

	Profit and loss account £
At 1st January 2010	343,016
Profit for the year	<u>146,242</u>
At 31st December 2010	<u>489,258</u>

**16 PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. Assets of the scheme are held in an independently administered fund. Pension costs of £13,085 (2009 £14,440) were charged to the profit and loss account in the year. At the year end there were £6,250 (2009 £7,750) of outstanding pension contributions.

**17 ULTIMATE PARENT COMPANY**

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

**18 RELATED PARTY DISCLOSURES**

During the year the company traded with Jotul ASA, Scan Denmark, Jotul US and Jotul FRA. Transactions during the year in aggregate amounted to purchases and freight of £2,436,594 (2009 £2,640,465). At the year end, invoices totalling £357,485 (2009 £338,795) were received from Jotul AS and Scan Denmark, in respect of group transfer pricing adjustments for the year. Balances outstanding at the year end amounted to £556,478 (2009 £571,768) (trade creditors), £2,192 (2009 £2,192), (amounts owed by group undertakings), and £4,163 (2009 £8,776), (trade debtors).

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Profit for the financial year	<u>146,242</u>	<u>152,716</u>
<b>Net addition to shareholders' funds</b>	<b>146,242</b>	<b>152,716</b>
Opening shareholders' funds	<u>543,016</u>	<u>390,300</u>
<b>Closing shareholders' funds</b>	<b><u>689,258</u></b>	<b><u>543,016</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2010**

**9 STOCKS**

	2010	2009
	£	£
Stocks	<u>302,338</u>	<u>291,871</u>

**10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Trade debtors	812,897	706,525
Amounts owed by group undertakings	2,192	2,192
Other debtors	1,469	-
Prepayments and accrued income	66,257	42,929
	<u>882,815</u>	<u>751,646</u>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Trade creditors	626,820	599,792
Tax	71,234	62,803
Social security and other taxes	11,975	10,776
VAT	156,705	6,554
Accruals and deferred income	111,194	144,390
	<u>977,928</u>	<u>824,315</u>

**12 OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Other operating leases	
	2010	2009	2010	2009
	£	£	£	£
Expiring				
Within one year	-	-	1,204	-
Between one and five years	44,400	51,252	13,329	-
	<u>44,400</u>	<u>51,252</u>	<u>14,533</u>	<u>-</u>

**13 PROVISIONS FOR LIABILITIES**

	2010	2009
	£	£
Deferred tax	<u>7,197</u>	<u>7,197</u>
		Deferred tax
		£
Balance at 1st January 2010		<u>7,197</u>
Balance at 31st December 2010		<u>7,197</u>