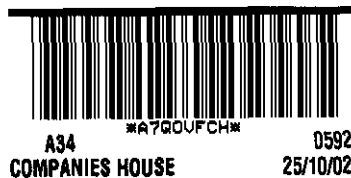


JOTUL (UK) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2001**

**Registered Number
3879828**

**ORMEROD RUTTER
CHARTERED ACCOUNTANTS**



JOTUL (UK) LIMITED
COMPANY INFORMATION

Company Number: 3879828

Directors: Mr H J Heidenstrom
Mr E Moe
Mr N S Sloane
Mr G C Hjortaas

Secretary: Gray's Inn Secretaries Limited

Registered Office: Five Chancery Lane
Clifford's Inn
London
EC4A 1BU

Auditors: Ormerod Rutter
Chartered Accountants
Registered Auditors
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Bankers: Den Norske Bank
20 St Dunstan's Hill
London
EC3R 8HY

JOTUL (UK) LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2001

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JOTUL (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors present their report and the financial statements for the year ended 31st December 2001.

Principal activities

The principal activity of the company during the year was 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.

Future developments

The directors are looking forward to another profitable year.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the financial statements.

Results and dividends

The directors do not recommend a dividend and it is proposed that the retained profits of £92,096 be added to reserves.

Directors' interests

The directors who served during the year were as follows:

Mr H J Heidenstrom
Mr E Moe
Mr N S Sloane
Mr G C Hjortaas

The directors held no interest in the share capital of the company.

The directors' interest in the parent company are as disclosed within that company's financial statements.

JOTUL (UK) LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 2001

Responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those 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 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.

Auditors

The auditors, Ormerod Rutter, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board



.....
Mr N S Sloane
(Director)

25th September 2002

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF JOTUL (UK) LIMITED
FOR THE YEAR ENDED 31ST DECEMBER 2001

We have audited the financial statements on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 opinion

We conducted our audit in accordance with Auditing Standards 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 misstatements, 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 of the state of the company's affairs at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....
Ormerod Rutter
Chartered Accountants
Registered Auditors
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

26th September 2002

JOTUL (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2001

	Note	2001 £	2000 £
Turnover	2	1,512,653	891,169
Cost of sales		856,120	545,030
Gross profit		<u>656,533</u>	<u>346,139</u>
Administrative expenses		545,298	430,698
Operating profit/(loss)	3	<u>111,235</u>	<u>(84,559)</u>
Other interest receivable and similar income		2,986	2,637
Interest payable	5	(19,330)	(6,952)
Profit/(loss) on ordinary activities before taxation		<u>94,891</u>	<u>(88,874)</u>
Tax on profit on ordinary activities	6	(2,795)	-
Retained profit/(loss) for the year		<u>£ 92,096</u>	<u>£ (88,874)</u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2001 or 2000 therefore turnover and operating profit derive entirely from continued operations.

The company has no recognised gains or losses other than the profit for the financial year.

The annexed notes form part of these financial statements.

JOTUL (UK) LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	7	74,462	79,827
Current assets			
Stocks	8	160,770	306,776
Debtors	9	431,379	313,221
Cash at bank and in hand		33,226	198,523
		<u>625,375</u>	<u>818,520</u>
Creditors			
Amounts falling due within one year	10	(496,615)	(580,271)
Net current assets		<u>128,760</u>	<u>238,249</u>
Total assets less current liabilities		<u>203,222</u>	<u>318,076</u>
Creditors			
Amounts falling due after more than one year	11	-	(206,950)
Net assets		<u>£ 203,222</u>	<u>£ 111,126</u>
Capital and reserves			
Called up share capital	12	200,000	200,000
Profit and loss account	13	3,222	(88,874)
Shareholders' funds	14	<u>£ 203,222</u>	<u>£ 111,126</u>

Approved by the board of directors on 25th September 2002 and signed on its behalf.



.....
 Mr N S Sloane
 (Director)

The annexed notes form part of these financial statements.

JOTUL (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2001

1. Accounting policies

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

Advantage has been taken of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 Paragraph 12(b) on the grounds that consolidated financial statements in which the company and group are publicly available.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property Improvements	- no charge
Warehouse Equipment	- 10% per annum of cost
Fixtures and Fittings	- 10% per annum of 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 and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Foreign exchange

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

Leasing

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

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to the profit and loss account to spread the cost of the pensions over the employees' working lives.

JOTUL (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2001

2. Turnover

Turnover is attributable solely to continuing operations and derives from one activity that of the import and distribution of heating appliances.

3. Operating profit/(loss)

	2001	2000
	£	£
This is stated after charging:		
Directors' emoluments	114,408	100,534
Auditors' remuneration	3,200	3,000
Depreciation of owned assets	6,547	3,586
Hire of other assets - operating leases	3,770	3,858
	<u> </u>	<u> </u>

4. Staff costs

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

	2001	2000
Administration	3	2
Works	4	4
	<u> </u>	<u> </u>
	7	6
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2001	2000
	£	£
Wages and salaries	244,772	176,627
Social security	22,831	14,336
	<u> </u>	<u> </u>
	£267,603	£190,963
	<u> </u>	<u> </u>

JOTUL (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2001

5. Interest payable

	2001 £	2000 £
Interest payable - bank loans and overdraft and other loans repayable within five years	19,330	6,952
	<u>19,330</u>	<u>6,952</u>

6. Tax on profit on ordinary activities

	2001 £	2000 £
Analysis of charge in period		
Current Tax:		
UK corporation tax on profits	2,795	-
	<u>2,795</u>	<u>-</u>
Tax on profit on ordinary activities	£ 2,795	£ -
	<u>£ 2,795</u>	<u>£ -</u>

Corporation Tax has been charged at 20% (2000 - 20%).

7. Tangible fixed assets

	Improvements to Property £	Warehouse Equipment £	Fixtures and Fittings £	Total £
Cost:				
At 1st January 2001	18,276	50,430	14,707	83,413
Additions	595	-	587	1,182
	<u>18,871</u>	<u>50,430</u>	<u>15,294</u>	<u>84,595</u>
At 31st December 2001	18,871	50,430	15,294	84,595
Depreciation:				
At 1st January 2001	-	2,855	731	3,586
Charge for the year	-	5,043	1,504	6,547
	<u>-</u>	<u>7,898</u>	<u>2,235</u>	<u>10,133</u>
At 31st December 2001	-	7,898	2,235	10,133
Net book value:				
At 31st December 2001	£18,871	£42,532	£13,059	£74,462
	<u>£18,871</u>	<u>£42,532</u>	<u>£13,059</u>	<u>£74,462</u>
At 31 December 2000	£18,276	£47,575	£13,976	£79,827
	<u>£18,276</u>	<u>£47,575</u>	<u>£13,976</u>	<u>£79,827</u>

JOTUL (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2001

8. Stocks

	2001	2000
	£	£
Stocks	160,770	306,776
	<u> </u>	<u> </u>

9. Debtors

	2001	2000
	£	£
Due within one year:		
Trade debtors	406,317	271,166
Other debtors	5,934	20,519
Prepayments	19,128	21,536
	<u> </u>	<u> </u>
	<u>£431,379</u>	<u>£313,221</u>

10. Creditors - amounts falling due within one year

	2001	2000
	£	£
Bank overdraft	331,118	-
Trade creditors	110,742	517,765
Other creditors	1,498	-
Corporation tax	2,795	-
Accruals and deferred income	50,462	62,506
	<u> </u>	<u> </u>
	<u>£496,615</u>	<u>£580,271</u>

Of the creditors falling due within one year £331,118 is secured.

11. Creditors - amounts falling due after more than one year

	2001	2000
	£	£
Amounts owed to group undertakings	-	206,950
	<u> </u>	<u> </u>

JOTUL (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2001

12. Share capital

	2001 £	2000 £
Authorised		
Ordinary shares of £1 each	200,000	200,000
	<u>£</u>	<u>£</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	200,000	200,000
	<u>£</u>	<u>£</u>

13. Profit and loss account

	2001 £
Balance at 1st January 2001	(88,874)
Profit retained for the year	92,096
	<u>£ 3,222</u>
Balance at 31st December 2001	<u>£ 3,222</u>

14. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit/(loss) for the financial year	92,096	(88,874)
New share capital subscribed	-	200,000
Opening shareholders' funds	111,126	-
	<u>£203,222</u>	<u>£111,126</u>
Closing shareholders' funds	<u>£203,222</u>	<u>£111,126</u>

15. Leasing commitments

At 31st December 2001 the company had annual commitments under non-cancellable operating leases as detailed below:

	Other 2001 £	Other 2000 £
Operating leases which expire:		
Between two and five years	25,699	73,289
More than five years	4,885	5,670
	<u>£ 30,584</u>	<u>£ 78,959</u>

JOTUL (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2001

16. Related party transactions

During the year, the company traded with its parent company, Jotul ASA, a company registered in Norway.

Purchases of stock items amounted to £636,491 (2000 - £711,358) and there was a closing purchase ledger balance of £69,031 (2000 - £402,881).

17. Ultimate holding company

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

...