

**ABBREVIATED ACCOUNTS**

**OSO HOTWATER (UK) LIMITED**

**31<sup>ST</sup> DECEMBER 1998**

*Registered Number 2877815*



# **OSO HOTWATER (UK) LIMITED**

## **DIRECTORY**

### **DIRECTORS**

Hans Olav Rostveit (Chairman)  
Bjorn Elnes Nordby  
John Henry Elsy  
Raymond Robert Maxted

### **SECRETARY**

Raymond Robert Maxted

### **AUDITORS**

Ernst & Young  
Accountants  
Norham House  
12 New Bridge Street West  
Newcastle Upon Tyne

### **BANKERS**

Den norske Bank AS  
London Branch  
20 St Dunstan's Hill  
London

### **SOLICITORS**

Eversheds  
35 Mosley Street  
Newcastle Upon Tyne

### **REGISTERED OFFICE**

Ernst & Young  
Accountants  
Norham House  
12 New Bridge Street West  
Newcastle Upon Tyne

**SPECIAL REPORT OF THE AUDITORS  
to OSO Hotwater (UK) Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 4 to 7 together with the annual accounts of OSO Hotwater (UK) Limited for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

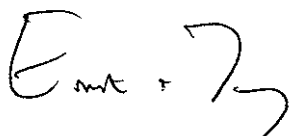
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 7 are properly prepared in accordance with those provisions.

A handwritten signature in dark ink, appearing to read 'Ernst & Young' followed by a stylized flourish.

Ernst & Young  
Registered Auditor  
Newcastle upon Tyne

18 March 1999

**OSO HOTWATER (UK) LIMITED****ABBREVIATED BALANCE SHEET**

at 31st December 1998

	Notes	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible Assets	2	<u>49,949</u>	<u>28,460</u>
<b>CURRENT ASSETS</b>			
Stocks		285,246	314,070
Debtors		445,697	405,760
Cash at Bank and in Hand		<u>102,798</u>	<u>281,835</u>
		833,741	1,001,665
<b>CREDITORS: amounts due within one year</b>		<u>637,819</u>	<u>700,457</u>
<b>NET CURRENT ASSETS</b>		<u>195,922</u>	<u>301,208</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>245,871</u>	<u>329,668</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Amount owed to parent undertaking		-	98,833
		<u>245,871</u>	<u>230,835</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	140,000	140,000
Profit and loss account		105,871	90,835
Equity Shareholders' Funds		<u>245,871</u>	<u>230,835</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

R.R.Maxted      Director



Date: 18th March 99

## **OSO HOTWATER (UK) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS at 31<sup>st</sup> December 1998**

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

##### ***Accounting convention***

The accounts are prepared under the historical cost convention.

##### ***Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor Vehicles	-	over 4 years
Fixtures & Fittings	-	over 3 to 10 years

##### ***Government grants***

Government grants of a revenue nature are credited to income so as to match them with the profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

##### ***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Goods for resale	-	purchase cost on a first-in, first-out basis
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Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

##### ***Deferred taxation***

Deferred taxation is provided using the liability method on all timing difference which are expected to reverse in the future without being replaced, calculated at the rate which it is anticipated the timing differences will reverse.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonable certain.

## **OSO HOTWATER (UK) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS** **at 31st December 1998**

#### ***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account, including gains on long term monetary items. The inclusion of these gains represents a departure from the statutory requirement that only realised profit may be included in the profit and loss account. The directors consider that this accounting treatment, which is in accordance with SSAP 20, is necessary in order to give a true and fair view. The unrealised gains included for the year are disclosed in note 3.

#### ***Leasing and hire purchase commitments***

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

#### ***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## **2. TANGIBLE FIXED ASSETS**

	£
Cost:	
At 1st January 1998	48,291
Additions	35,619
Disposals	-
	<hr/>
	83,910
Depreciation:	
At 1st January 1998	19,831
Provided during the year	14,130
Disposals	-
	<hr/>
	33,961
Net book value:	
At 1st January 1998	<hr/>
	28,460
At 31st December 1998	<hr/>
	49,949

## **OSO HOTWATER (UK) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS** **at 31st December 1998**

#### **3.SHARE CAPITAL**

	Authorised and allotted 1998 and 1997 No.	Allotted, called up and fully paid up 1998 and 1997 £
Ordinary shares of £1 each	<u>140,000</u>	<u>140,000</u>

#### **4.TRANSACTIONS WITH DIRECTORS**

Included in " Debtors" is a loan to a director, R Maxted. Interest of 4.5% per annum is being charged.

	1998 £	1997 £
Amount outstanding at 1st January	3,863	-
Monies advanced by company during the year	16,000	7,063
Interest charged on loan	488	-
Amount repaid by R Maxted during the year	<u>(13,500)</u>	<u>(3,200)</u>
Amount outstanding at 31st December	<u><b>6,851</b></u>	<u><b>3,863</b></u>

The maximum amount outstanding during the year was £20,026 (1997 - £7,063).

#### **5. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS**

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is the company's ultimate parent company OSO Hotwater group A/S, a company which is incorporated in Norway. Copies of OSO Hotwater Group A/S accounts can be obtained from: OSO Hotwater Group A/S, Financial Dept., Box 112, 3301 Hokksund, Norway. In the opinion of the directors, OSO Hotwater Group A/S is also the ultimate controlling party of the company.

During the year, the company purchased goods in the normal course of business from OSO Hotwater Group A/S, its parents undertaking, for £1,483,357 (1997 - £1,232,781). The price charged was the normal market price in the case of each individual purchase. At the balance sheet date the amount due to OSO Hotwater Group A/S was £335,892 (1997 - £566,336) of which £Nil (1997 - £98,833) was repayable after more than one year.

As disclosed in note 4 to the accounts, a loan was made to a director, R Maxted, during the year.