

Company Registration Number :- 3425921



KRONOPLUS LIMITED
REPORT AND FINANCIAL STATEMENTS
30th September 2000

KRONOPLUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2000

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OFFICERS AND PROFESSIONAL ADVISERS

Directors

M.M.Kandl (chairman)
L.W.Scheibltreiter
A.C.Bodicoat F.C.A
H.J.Jones A.C.M.A.

Secretary

C.J.Ryan

Registered office

Maesgwyn Farm,
Chirk, Wrexham,
LL14 5NT

Auditors

Deloitte & Touche.

Tax advisers

Deloitte & Touche.

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the year ended 30th September 2000.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS & FUTURE PROSPECTS

The principal activity of the company is the manufacture of value added chipboard and MDF products.

The retained profit for the year is £183,000.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the company who served during the year are shown below:

M.M.Kaindl(Austrian)
L.W.Scheibltreiter(Austrian)
A.C.Bodicoat, F.C.A.
H.J.Jones A.C.M.A.

None of the directors has any interest in the share capital of the company or the parent company.

REGISTERED AUDITORS

A resolution to re-appoint Deloitte & Touche will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT continued

STATEMENT OF RESPONSIBILITIES

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

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether applicable accounting standards have been followed;
- d) 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.

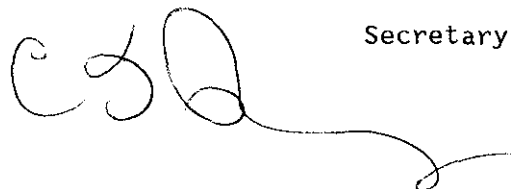
16th November 2000

Maesgwyn Farm,
Chirk,
Wrexham,
LL14 5NT.

By order of the board

C.J.Ryan

Secretary



AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with United Kingdom law and accounting standards.

It is our responsibility to form an independent opinion, based on audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom 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 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.

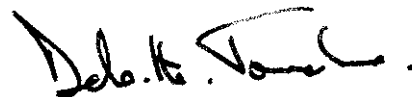
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 of the state of the company's affairs as at 30th September 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hill House
1 Little New Street
London, EC4A 3TR

16th November 2000



DELOITTE & TOUCHE.

Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT
for the year ended 30th September

	Note	2000 £'000	1999 £'000
Turnover	2	16,754	10,105
Raw materials and consumables		(13,193)	(8,258)
Other external charges		(871)	(416)
Depreciation		(428)	(212)
Other operating charges		(1,979)	(1,037)
Profit on ordinary activities before taxation		283	182
Tax on profit on ordinary activities	5	(100)	-
Retained Profit for the financial year	10	183	182

The above result for the financial year and comparatives derive solely from continuing operations and represent all recognised gains and losses. Other than the result for the year there were no other movements in Shareholders' funds.

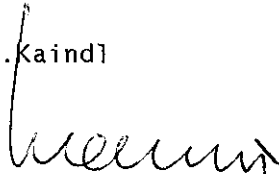
BALANCE SHEET
30th September

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	6	5,522	4,455
CURRENT ASSETS			
Debtors	7	300	-
TOTAL ASSETS LESS CURRENT LIABILITIES		5,822	4,455
CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR			
Amount owed to other group companies		4,057	3,273
PROVISIONS FOR LIABILITIES AND CHARGES	8	400	-
		1,365	1,182
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	365	182
EQUITY SHAREHOLDERS FUNDS		1,365	1,182

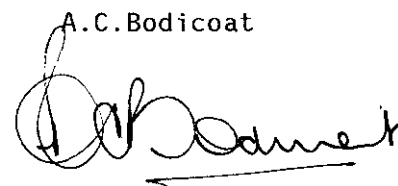
APPROVED BY THE BOARD OF DIRECTORS

16th November 2000

M.M. Kaingl



A.C. Bodicoat



NOTES TO THE ACCOUNTS
30th September 2000

1) ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Tangible Fixed Assets

Depreciation is provided at rates calculated to write off the cost, during the estimated useful lives of the assets, in equal annual instalments. The annual rates of depreciation are as follows :-

Plant and machinery, vehicles & other equipment 7% - 25%

(c) Deferred taxation

Deferred taxation is provided at the anticipated tax rate on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements, to the extent that it is probable that a liability will crystallise in the future.

2) ANALYSIS OF TURNOVER

All of the turnover is within the United Kingdom and attributable to the company's principal activity.

3) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £'000	1999 £'000
Profit on ordinary activities is arrived at after charging :		
Depreciation	428	212
Auditors' remuneration	1	1

4) EMPLOYEES AND DIRECTORS

There were no employees other than the directors. The directors received no remuneration during the period (1999 - Nil).

NOTES TO THE ACCOUNTS
30th September 2000

5) TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Deferred taxation	400	-
Group relief	(300)	-
	100	-

6) TANGIBLE FIXED ASSETS

	Plant & Machinery £'000
COST	
At 1st October 1999	5,451
Transfer from group company	75
Additions	1,495
Disposals	-
At 30th September 2000	7,021
ACCUMULATED DEPRECIATION	
At 1st October 1999	996
Transfer from group company	75
Provision	428
Disposals	-
At 30th September 2000	1,499
NET BOOK VALUE	
At 30th September 2000	5,522
At 30th September 1999	4,455

7) DEBTORS

	2000 £'000	1999 £'000
Amount owed by group companies	300	-

NOTES TO THE ACCOUNTS
30th September 2000

8) PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£'000
a) Movement in the year	
At 1st October 1999	-
Charge for the year	400
	400
At 30th September 2000	

b) The amount of deferred taxation provided in the financial statements and the potential liability are:

	Provided		Potential	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Capital allowances in excess of depreciation	400	-	645	308

9) CALLED UP SHARE CAPITAL

	2000	1999
	£'000	£'000
Authorised, allotted and fully paid 1,000,000 ordinary shares of £1 each	1,000	1,000

10) RESERVES

Profit and loss account	£'000
Balance at 1st October 1999	182
Profit retained for the year	183
Balance at 30th September 2000	365

11) ULTIMATE PARENT COMPANY

The immediate parent company is Kronospan Holdings Limited incorporated in England and Wales. That company prepares group accounts and copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff.

The ultimate parent company is A.G. fuer Holzindustrie Triesen FL, incorporated in Liechtenstein.

12) RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption included in Financial Reporting Standard No. 8 "Related Party Disclosures" (para 3) for wholly owned subsidiaries not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.