

Company Registration Number :- 3425921



KRONOPLUS LIMITED

REPORT AND FINANCIAL STATEMENTS

30th September 2001

KRONOPLUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

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OFFICERS AND PROFESSIONAL ADVISERS

Directors

M.M.Kaindl (chairman)
N Matveieff F.C.A.
A.C.Bodicoat F.C.A
H.J.Jones A.C.M.A.
A.E.Meehan

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 2001.

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 £295,000 (2000 £183,000).

The second flooring line commenced production during the year and we remain optimistic about trading conditions for the company's products.

The directors do not recommend the payment of a dividend (2000 Nil).

DIRECTORS

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

M.M.Kaindl(Austrian)

N Matveieff F.C.A. (appointed 30th September 2001)

A.C.Bodicoat, F.C.A.

H.J.Jones A.C.M.A.

L.W.Scheibltreiter(Austrian) (resigned 30th September 2001)

A.E.Meehan (appointed 20th November 2000)

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 2001

Maesgwyn Farm,
Chirk,
Wrexham,
LL14 5NT.

By order of the board

C.J.Ryan

Secretary



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KRONOPLUS LIMITED

We have audited the financial statements of Kronoplus Limited for the year ended 30th September 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements, and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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.

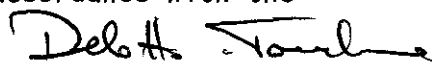
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the company as at 30th September 2001 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 2001


DELOITTE & TOUCHE.

Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT
for the year ended 30th September

	Note	2001 £'000	2000 £'000
Turnover	2	40,212	16,754
Raw materials and consumables		(33,845)	(13,193)
Other external charges		(2,067)	(871)
Depreciation		(566)	(428)
Other operating charges		(3,313)	(1,979)
Profit on ordinary activities before taxation	3	421	283
Tax on profit on ordinary activities	5	(126)	(100)
Retained Profit for the financial year	10	295	183

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.

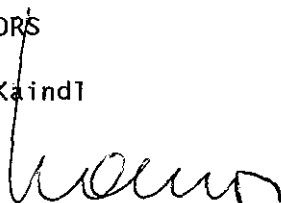
BALANCE SHEET
30th September

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	6	7,587	5,522
CURRENT ASSETS			
Debtors	7	154	300
TOTAL ASSETS LESS CURRENT LIABILITIES		7,741	5,822
CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR			
Amount owed to other group companies		5,401	4,057
PROVISIONS FOR LIABILITIES AND CHARGES	8	680	400
		1,660	1,365
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	660	365
EQUITY SHAREHOLDERS FUNDS		1,660	1,365

APPROVED BY THE BOARD OF DIRECTORS

16th November 2001

M.M.Kaindi



A.C. Bodicoat



NOTES TO THE ACCOUNTS
30th September 2001

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

	2001 £'000	2000 £'000
Profit on ordinary activities is arrived at after charging :		
Depreciation	566	428
Auditors' remuneration	1	1

4) EMPLOYEES AND DIRECTORS

There were no employees other than the directors. The directors received no remuneration during the period (2000 - Nil).

NOTES TO THE ACCOUNTS
30th September 2001

5) TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
Deferred taxation	280	400
Group relief	(154)	(300)
	126	100

6) TANGIBLE FIXED ASSETS

	Plant & Machinery £'000
COST	
At 1st October 2000	7,021
Additions	2,631
	9,652
At 30th September 2001	
ACCUMULATED DEPRECIATION	
At 1st October 2000	1,499
Provision	566
	2,065
At 30th September 2001	
NET BOOK VALUE	
At 30th September 2001	7,587
	5,522
At 30th September 2000	

7) DEBTORS

	2001 £'000	2000 £'000
Amount owed by group companies	154	300

NOTES TO THE ACCOUNTS
30th September 2001

8) PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£'000
a) Movement in the year	
At 1st October 2000	400
Charge for the year	280
	680
At 30th September 2001	

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

	Provided		Potential	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Capital allowances in excess of depreciation	680	400	926	645

9) CALLED UP SHARE CAPITAL

	2001	2000
	£'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 2000	365
Profit retained for the year	295
Balance at 30th September 2001	660

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.