

Company Registration Number :- 3425921



KRONOPLUS LIMITED
REPORT AND FINANCIAL STATEMENTS
30th September 2002

KRONOPLUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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OFFICERS AND PROFESSIONAL ADVISERS

Directors

M.M.Kaindl O.B.E. (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 2002.

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 £381,000 (2001 £295,000).

Demand for the company's products remains strong and we see scope for further improvement.

The directors do not recommend the payment of a dividend (2001 Nil).

DIRECTORS

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

M.M.Kaindl O.B.E.(Austrian)
N.Matveieff F.C.A. (appointed 10th October 2001)
A.C.Bodicoat F.C.A.
H.J.Jones A.C.M.A.
A.E.Meehan
L.W.Scheibltreiter (resigned 29th August 2002)

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

United Kingdom 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 the system of internal control safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

14th November 2002

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 2002 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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.

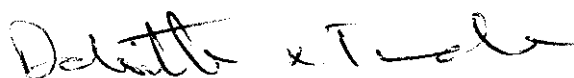
BASIS OF AUDIT OPINION

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 2002 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



14th November 2002

DELOITTE & TOUCHE.

Chartered Accountants and
Registered Auditors

London

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14th November 2002

DELOITTE & TOUCHE.

Chartered Accountants and
Registered Auditors

London

PROFIT AND LOSS ACCOUNT
for the year ended 30th September

	Note	2002 £'000	2001 £'000
Turnover	2	47,953	40,212
Raw materials and consumables		(40,248)	(33,845)
Other external charges		(2,709)	(2,067)
Depreciation		(713)	(566)
Other operating charges		(3,739)	(3,313)
Operating profit and profit on ordinary activities before taxation	3	544	421
Tax on profit on ordinary activities	5	(163)	(126)
Retained Profit for the financial year	10	381	295

The above result for the financial year and comparatives derive solely from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30th September

	2002 £'000	2001 £'000
Profit for the financial year	381	295
Prior period adjustment (note 14)	(245)	
Total recognised gains and losses since last annual report	136	

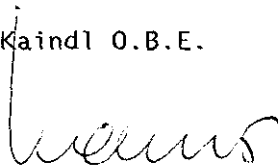
BALANCE SHEET
30th September

	Note	2002 £'000	2001 Restated £'000
FIXED ASSETS			
Tangible assets	6	7,636	7,587
CURRENT ASSETS			
Debtors	7	472	154
TOTAL ASSETS LESS CURRENT LIABILITIES		8,108	7,741
CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR			
Amount owed to other group companies		5,206	5,401
PROVISIONS FOR LIABILITIES AND CHARGES	8	1,106	925
		1,796	1,415
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	796	415
EQUITY SHAREHOLDERS FUNDS		1,796	1,415

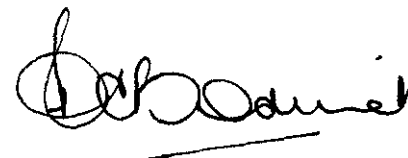
APPROVED BY THE BOARD OF DIRECTORS

14th November 2002

M.M. Kaindl O.B.E.



A.C. Bodicoat



NOTES TO THE ACCOUNTS
30th September 2002

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 in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon tax rates and law. Timing differences arise 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. Deferred tax assets and liabilities are not discounted.

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

	2002 £'000	2001 £'000
Profit on ordinary activities is arrived at after charging :		
Depreciation	713	566
Auditors' remuneration	1	1

4) EMPLOYEES AND DIRECTORS

There were no employees other than the directors. The directors received no remuneration during the period (2001 - Nil).

NOTES TO THE ACCOUNTS
30th September 2002

5) TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
Group relief	(18)	(154)
Deferred taxation	181	280
	163	126

The tax charge for the year is lower than that which would have arisen on applying the standard rate of corporation tax in the UK 30% (2001 30%). The Differences are explained below :

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	544	421
Tax at 30% thereon	163	126
Capital allowances in excess of depreciation	(181)	(280)
Current tax charge for the year	(18)	(154)

6) TANGIBLE FIXED ASSETS

COST

At 1st October 2001

Additions

Plant &
Machinery
£'000

9,652

762

At 30th September 2002

10,414

ACCUMULATED DEPRECIATION

At 1st October 2001

Provision

2,065

713

At 30th September 2002

2,778

NET BOOK VALUE

At 30th September 2002

7,636

At 30th September 2001

7,587

7) DEBTORS

Amount owed by group companies

2002
£'000

472

2001
£'000

154

NOTES TO THE ACCOUNTS
30th September 2002

8) PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£'000
a) Movement in the year	
At 1st October 2001 restated (Note 14)	925
Charge for the year	181
At 30th September 2002	1,106

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

	Provided		Potential	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Capital allowances in excess of depreciation	1,106	925	1,106	925

9) CALLED UP SHARE CAPITAL

	2002	2001
	£'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 2001 restated (Note 14)	415
Profit retained for the year	381
Balance at 30th September 2002	796

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.

NOTES TO THE ACCOUNTS
30th September 2002

13) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	2002 £'000	2001 Restated £'000
Profit for the financial year	381	295
Opening Shareholders Funds as previously reported	1,415	1,365
Prior period adjustment (See Note 14)	-	(245)
Closing Shareholders Funds	1,796	1,415
14) PRIOR PERIOD ADJUSTMENT		

The adoption of FRS 19 "Deferred Tax" has required changes in the method of accounting for deferred tax assets and liabilities. As a result of these changes the comparatives have been restated as follows :

	Deferred Tax Liability £'000	Profit and Loss Reserve £'000	Share- Holders Funds £'000
2001 as previously reported	680	660	1,660
Adoption of FRS 19 at 30th September 2000	245	(245)	(245)
During year ended 30th September 2001	-	-	-
Adoption of FRS 19 at 30th September 2001	245	(245)	(245)
2001 as restated	925	415	1,415