

Company Registration Number :- 3425921



KRONOPLUS LIMITED
REPORT AND FINANCIAL STATEMENTS
30th September 2004

KRONOPLUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2 - 3
Independent Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7 - 10

OFFICERS AND PROFESSIONAL ADVISERS

Directors

M.M.Kaindl O.B.E. (chairman)
P.R.Inch F.C.M.A.
P.Bloor
D.Hussey

Secretary

C.J.Ryan

Registered office

Maesgwyn Farm,
Chirk, Wrexham,
LL14 5NT

Auditors

Deloitte & Touche LLP

Tax advisers

Deloitte & Touche LLP

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the year ended 30th September 2004.

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 £542,000 (2003 £530,000).

Trading conditions were difficult during the year with turnover unchanged.

The directors do not recommend the payment of a dividend (2003 Nil).

DIRECTORS

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

M.M.Kaindl O.B.E.(Austrian)
H.J.Jones A.C.M.A. (resigned 30th November 2003)
A.E.Meehan (resigned 31st December 2003)
P.Bloor
P.R.Inch F.C.M.A.
D.Hussey (appointed 12th April 2004)

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

REGISTERED AUDITORS

A resolution for the appointment of Deloitte & Touche LLP 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; and
- 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.

12th November 2004

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 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 or material inconsistencies with the financial statements.

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 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

12th November 2004



DELOITTE & TOUCHE LLP
Chartered Accountants and
Registered Auditors
London

PROFIT AND LOSS ACCOUNT
for the year ended 30th September

	Note	2004 £'000	2003 £'000
Turnover	2	56,981	56,800
Raw materials and consumables		(44,431)	(44,645)
Other external charges		(3,101)	(3,486)
Depreciation and Impairment		(872)	(2,444)
Other operating charges		(7,802)	(5,467)
Operating profit and profit on ordinary activities before taxation	3	775	758
Tax on profit on ordinary activities	5	(233)	(228)
Retained Profit for the financial year	10	542	530

The above result for the financial year and comparatives derive solely from continuing operations and represent all recognised gains and losses. Accordingly no separate statement of total recognised gains and losses is presented. Other than the result for the year and previous year there were no other movements in Equity Shareholders' Funds.

BALANCE SHEET
30th September

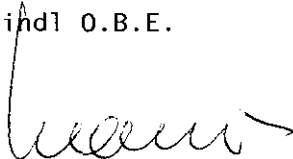
		2004	2003
	Note	£'000	£'000
FIXED ASSETS			
Tangible assets	6	6,888	7,323
CURRENT ASSETS			
Debtors	7	454	300
TOTAL ASSETS LESS CURRENT LIABILITIES		7,342	7,623
CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR			
Amount owed to other group companies		3,513	4,468
PROVISIONS FOR LIABILITIES AND CHARGES	8	961	829
NET ASSETS		2,868	2,326
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account	10	1,868	1,326
EQUITY SHAREHOLDERS' FUNDS		2,868	2,326

APPROVED BY THE BOARD OF DIRECTORS

12th November 2004

M.M.Kaundl O.B.E.

P.R.Inch F.C.M.A.




NOTES TO THE ACCOUNTS
30th September 2004

1) ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom 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

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment.

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%
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(c) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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.

(d) Cash Flow Statement

As permitted by FRS1 "cash flow statements", the company has not prepared a cash flow statement because it is a wholly owned subsidiary and consolidated financial statements in which the company is included are publicly available.

2) ANALYSIS OF TURNOVER

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

3) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 £'000	2003 £'000
Profit on ordinary activities is arrived at after charging/(crediting) :		
Depreciation	872	730
Profit on sale of fixed assets	(83)	-
Impairment of fixed assets	-	1,714
Auditors' remuneration	1	1

4) EMPLOYEES AND DIRECTORS

There were no employees other than the directors (2003 - Nil) The directors received no remuneration during the period (2003 - Nil).

NOTES TO THE ACCOUNTS
30th September 2004

5) TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £'000	2003 £'000
Group relief	101	505
Deferred taxation	132 (	277)
	233	228

The current tax charge for the year is lower (2003 higher) than that which would have arisen on applying the standard rate of corporation tax in the UK of 30% (2003 30%).

The differences are explained below :

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	775	758
Tax at 30% thereon	233	228
Capital allowances (in excess of)/lower than depreciation	(132)	277
Current tax charge for the year	101	505

6) TANGIBLE FIXED ASSETS

	Plant & Machinery £'000
COST	
At 1st October 2003	12,545
Additions	445
Disposals	(2,890)
At 30th September 2004	10,100
ACCUMULATED DEPRECIATION	
At 1st October 2003	5,222
Charge for the year	872
Disposals	(2,882)
At 30th September 2004	3,212
NET BOOK VALUE	
At 30th September 2004	6,888
At 30th September 2003	7,323

7) DEBTORS

	2004 £'000	2003 £'000
Amount owed by group companies	454	300

NOTES TO THE ACCOUNTS
30th September 2004

8) PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£'000
a) Movement in the year	
At 1st October 2003	829
Credit for the year	132
	961
At 30th September 2004	

b) The full potential liability has been provided in both years.

	Provided	
	2004	2003
	£'000	£'000
Capital allowances in excess of depreciation	961	829

9) CALLED UP SHARE CAPITAL

	2004	2003
	£'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 2003	1,326
Profit retained for the year	542
Balance at 30th September 2004	1,868

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.

NOTES TO THE ACCOUNTS
30th September 2004

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.

13) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	2004	2003
	£'000	£'000
Profit for the financial year	542	530
Opening Shareholders Funds	2,326	1,796
Closing Shareholders Funds	2,868	2,326