

Company Registration Number :- 3425921



KRONOPLUS LIMITED  
ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
For the Year Ended  
30th September 2016

KRONOPLUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

| CONTENTS                           | PAGE   |
|------------------------------------|--------|
| Officers and professional advisers | 1      |
| Directors' report                  | 2 - 3  |
| Independent Auditor's report       | 4 - 5  |
| Profit and loss account            | 6      |
| Balance sheet                      | 7      |
| Notes to the accounts              | 8 - 11 |

OFFICERS AND PROFESSIONAL ADVISERS

Directors

P.Bloor  
L.A.J.Scheibltreiter  
M.J.Dineen  
R.M.Jones A.C.M.A.

Company Secretary

C.J.Ryan

Registered office

Maesgwyn Farm  
Chirk  
Wrexham  
LL14 5NT

Auditor

Deloitte LLP,  
2 Hardman Street  
Manchester,  
M3 3HF

Tax advisers

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the year ended 30th September 2016.

The directors' report has been prepared in accordance with the provisions applicable to the companies entitled to the small companies exemption. As such the company is exempt from providing a strategic report.

PRINCIPAL ACTIVITY

The principal activity of the company is the production of value added particleboard and MDF products.

The profit for the year was £161,000 (2015 - £145,000).

Interim Dividends of £1,000,000 were paid during the year (2015 - £500,000). No final dividend is proposed.

DIRECTOR

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

P.R.Inch F.C.M.A. (resigned 31 December 2015)  
P.Bloor  
L.A.J.Scheibltreiter  
M.J.Dineen  
R.M.Jones A.C.M.A. (appointed 13 January 2016)

STATUTORY AUDITOR

A resolution for the reappointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

DIRECTORS' REPORT (continued)

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

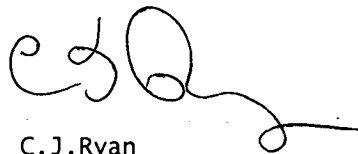
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

The directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Maesgwyn Farm  
Chirk  
Wrexham  
LL14 5NT

By order of the board



C.J. Ryan

Company Secretary

Date: 17th November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KRONOPLUS LIMITED

We have audited the financial statements of Kronoplus Limited for the year ended 30th September 2016 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 AUDITOR**

As explained more fully in the statement of director's responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th September 2016 and of its profit for the year 2016 then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the director's report for the financial year 2016 for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KRONOPLUS LIMITED (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Damian Sanders BA ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and  
Statutory Auditor  
Manchester  
United Kingdom

Date: 17th November 2016

PROFIT AND LOSS ACCOUNT  
for the year ended 30th September

|                                                        | Note    | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------------------------|---------|---------------|---------------|
| Turnover                                               | 2       | 69,774        | 61,258        |
| Raw materials and consumables                          |         | (57,183)      | (50,671)      |
| Other external charges                                 |         | (4,058)       | (2,690)       |
| Depreciation                                           |         | (511)         | (486)         |
| Other operating charges                                |         | (7,861)       | (7,266)       |
| Operating profit                                       |         | 161           | 145           |
| Other loan interest receivable from group undertakings |         | 1             | 15            |
| Profit on ordinary activities before taxation          | 3       | 162           | 160           |
| Tax on ordinary activities                             | 5       | (3)           | (34)          |
| Profit for ordinary activities after taxation          | 12 & 13 | 159           | 126           |

The above results 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.

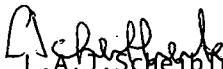
BALANCE SHEET  
as at 30th September

|                                                                                           | Note | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------------------------------------------------------|------|---------------|---------------|
| FIXED ASSETS                                                                              |      |               |               |
| Tangible assets                                                                           | 7    | 2,375         | 2,624         |
| CURRENT ASSETS                                                                            |      |               |               |
| Debtors                                                                                   | 8    | -             | 207           |
| CREDITORS - AMOUNTS FALLING DUE<br>WITHIN ONE YEAR                                        |      |               |               |
| Creditors                                                                                 | 9    | (553)         | (99)          |
| NET CURRENT (LIABILITIES)/ASSETS                                                          |      | (553)         | 108           |
| TOTAL ASSETS LESS CURRENT LIABILITIES                                                     |      | 1,822         | 2,732         |
| CREDITORS - AMOUNTS FALLING DUE<br>AFTER MORE THAN ONE YEAR<br>PROVISIONS FOR LIABILITIES | 10   | (165)         | (235)         |
| NET ASSETS                                                                                |      | 1,657         | 2,497         |
| CAPITAL AND RESERVES                                                                      |      |               |               |
| Called-up share capital                                                                   | 11   | 1,000         | 1,000         |
| Profit and loss account                                                                   | 12   | 656           | 1,497         |
| SHAREHOLDER'S FUNDS                                                                       | 13   | 1,656         | 2,497         |

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board of directors and authorised for issue on 17th November 2016.

17th November 2016

  
L.A.J. Scheidreiter  
Director

  
R.M. Jones A.C.M.A.  
Director

NOTES TO THE ACCOUNTS  
Year Ended 30th September 2016

1) ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for small entities (effective January 2015).

The particular accounting policies adopted are described below.

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less any additional costs for disposal.

(c) Taxation

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

(d) Cash Flow Statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

(e) Foreign Currency

Foreign currency transactions are translated into sterling at the rate ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

(f) Turnover

Turnover represents sales to external customers and is recognised when the risks and rewards of ownership transfer which is generally when goods are despatched or the service is delivered.

(g) Dividends

Equity dividends are recognised when they become payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## NOTES TO THE ACCOUNTS (continued)

Year Ended 30th September 2016

## 2) ANALYSIS OF TURNOVER

All of the turnover is derived within the United Kingdom and attributable to the company's principal activity. Turnover is recognised when goods are despatched or the service is delivered.

## 3) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

|                                                                   | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------------------------------------|---------------|---------------|
| Profit on ordinary activities is arrived at after charging:       |               |               |
| Depreciation                                                      | 511           | 486           |
| Auditor's remuneration for audit of company's annual accounts     | 3             | 3             |
| There were no non-audit fees payable to the auditor (2015 - £Nil) |               |               |

## 4) EMPLOYEES AND DIRECTORS

There were no employees other than the directors (2015 - Nil). The directors received no remuneration during the period (2015 - Nil).

## 5) TAX ON PROFIT ON ORDINARY ACTIVITIES

|                                             | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------------|---------------|---------------|
| Current tax on the profit for the year      | 73            | 50            |
| Total current tax charge                    | 73            | 50            |
| Deferred taxation current year              | (41)          | (17)          |
| Impact of rate reduction                    | (29)          | 1             |
| Total deferred tax credit                   | (70)          | (16)          |
| Tax charge on profit on ordinary activities | 3             | 34            |

The tax charge for the year is higher (2015 higher) than that which would have arisen by applying the standard rate of corporation tax in the UK of 20.0% (2015 - 20.5%)

The differences are shown below:

|                                          | 2016<br>£'000 | 2015<br>£'000 |
|------------------------------------------|---------------|---------------|
| Profit on ordinary activities before tax | 162           | 160           |
| Tax at 20.0% thereon (2015 - 20.5%)      | 32            | 33            |
| Effect of reduction in tax rate          | (29)          | 1             |
| Current tax charge for the year          | 3             | 34            |

Group relief is payable to Kronospan Holdings Limited and the related creditor is included within amounts owed to other group companies.

Legislation has been passed to reduce the main rate of UK corporation tax to 19% from 1st April 2017 and 17% from April 2020. Deferred tax has been calculated with reference to the long term rate of 17%.

NOTES TO THE ACCOUNTS (continued)  
Year Ended 30th September 2016

## 6) DIVIDEND

|                                                              | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------------------------------|---------------|---------------|
| Interim dividend of £1 per share (2015 - 50 pence per share) | 1,000         | 500           |

## 7) TANGIBLE FIXED ASSETS

## COST

|                        | Plant & Machinery<br>£'000 |
|------------------------|----------------------------|
| At 1st October 2015    | 13,152                     |
| Additions              | 262                        |
| At 30th September 2016 | 13,414                     |

## ACCUMULATED DEPRECIATION

| At 1st October 2015    | 10,528 |
|------------------------|--------|
| Charge for the year    | 511    |
| At 30th September 2016 | 11,039 |

## NET BOOK VALUE

| At 30th September 2016 | 2,375 |
|------------------------|-------|
| At 30th September 2015 | 2,624 |

## 8) DEBTORS

|                                | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------|---------------|---------------|
| Amount owed by group companies | -             | 207           |

## 9) CREDITORS

|                                       | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------|---------------|---------------|
| Trade creditors                       | -             | 49            |
| Corporation tax                       | 61            | -             |
| Amounts owed to other group companies | 492           | 50            |
|                                       | 553           | 99            |

## 10) PROVISIONS FOR LIABILITIES

|                              | £'000 |
|------------------------------|-------|
| Deferred taxation            |       |
| a) Movement in the year      |       |
| At 1st October 2015          | 235   |
| Credit for the year (Note 5) | (70)  |
| At 30th September 2016       | 165   |

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

|                                | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------|---------------|---------------|
| Fixed asset timing differences | 165           | 235           |

## 11) CALLED UP SHARE CAPITAL

|                                                                            | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------------------------------------------------------|---------------|---------------|
| Allotted, called up and fully paid<br>1,000,000 ordinary shares of £1 each | 1,000         | 1,000         |

NOTES TO THE ACCOUNTS (continued)  
Year Ended 30th September 2016

## 12) RESERVES

|                              |            |
|------------------------------|------------|
| Profit and loss account      | £'000      |
| At 1st October 2015          | 1,497      |
| Profit retained for the year | 159        |
| Dividends paid               | (1,000)    |
| At 30th September 2016       | <u>656</u> |

## 13) RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

|                                      | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------|---------------|---------------|
| Profit for the year                  | 159           | 126           |
| Dividends                            | (1,000)       | (500)         |
| Net reduction in shareholder's funds | <u>(841)</u>  | <u>(374)</u>  |
| Opening shareholder's funds          | 2,497         | 2,871         |
| Closing shareholder's funds          | <u>1,656</u>  | <u>2,497</u>  |

## 14) RELATED PARTY TRANSACTIONS AND 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. Kronospan Holdings Limited is the smallest and largest consolidated group which includes the company.

The ultimate parent company and controlling party is Kronospan A.G. incorporated in Liechtenstein which owns 100% of the Kronospan Holdings Limited's ordinary shares.

The purpose of the parent is to maintain and develop its industrial assets and is controlled by the board of Directors.

In preparing these financial statements, the directors have taken advantage of the exemption available under paragraph 3(c) of FRS8 not to disclose transactions between entities 100% controlled within the Kronospan Holdings Limited Group.