

Rockwool Investments Limited

Directors' report and financial statements

Registered number 1257198

31 December 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal activities

The company acts as a holding company.

Results for the year

The company made a profit before tax for the year of £3,215,000 (2001: £1,626,000).

The directors recommend the payment of a dividend of £3,121,000 (2001: £1,181,000).

Directors

The directors who served during the year, and their interests in the shares of the ultimate parent undertaking, Rockwool International A/S, were as follows:

		Ordinary shares Nom DKK
		At beginning and end of year
P Overgaard	- Chairman	28,710
B V Roberts	- Managing Director	1,220
C E Hadley OBE		-
T Kooij		1,220
R Rowland		-
		<hr/>

None of the directors held any shares in the company at either the beginning or end of the year.

Auditors

KPMG resigned as auditors on 15 May 2002 and thereupon the directors appointed KPMG LLP to fill the casual vacancy. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


D L Davies
Secretary

Registered Office
Wern Tarw
Bridgend
CF35 6NY

5 March 2003

Statement of directors' 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 and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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CF24 0TE
United Kingdom

Independent auditors' report to the members of Rockwool Investments Limited

We have audited the financial statements on pages 4 to 8.

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 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 auditors

The directors are responsible for preparing the directors' report and, as described in page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 to you 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.

Basis of opinion

We conducted our audit in accordance with 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 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants
Registered Auditor*

12 March 2003

Profit and loss account
for the year ended 31 December 2002

	<i>Note</i>	2002 £000	2001 £000
Income from shares in subsidiary undertaking	2	2,900	1,181
Administrative expenses		(4)	(4)
Interest receivable and similar income		319	449
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	3,215	1,626
Taxation	4	(94)	(134)
		<hr/>	<hr/>
Profit for the financial year		3,121	1,492
Dividend proposed		(3,121)	(1,181)
		<hr/>	<hr/>
Retained profit for the financial year		-	311
Profit and loss account brought forward		1,002	691
		<hr/>	<hr/>
Profit and loss account carried forward		1,002	1,002
		<hr/>	<hr/>

The above results represent the company's total recognised gains and losses in both financial years.

Balance sheet
at 31 December 2002

	<i>Note</i>	2002	2001
		£000	£000
Fixed assets			
Investments	5	11,757	11,757
Current assets			
Debtors - amounts due after more than one year		5,000	5,000
- amounts due within one year		3,650	1,181
		<hr/>	<hr/>
Cash at bank and in hand	6	8,650	6,181
		287	898
		<hr/>	<hr/>
		8,937	7,079
Creditors: amounts falling due within one year	7	(3,172)	(1,314)
		<hr/>	<hr/>
Net current assets		5,765	5,765
		<hr/>	<hr/>
Net assets		17,522	17,522
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	16,520	16,520
Profit and loss account		1,002	1,002
		<hr/>	<hr/>
Shareholders' funds - equity	9	17,522	17,522
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 5th March 2003 and were signed on its behalf by:



P Overgaard
Chairman



BV Roberts
Managing Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Companies Act 1985 and with applicable accounting standards.

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of an EU incorporated company which itself prepares a consolidated cash flow statement.

The financial statements present information about Rockwool Investments Limited as an individual undertaking and not about its group.

The company has taken advantage of the exemption granted under FRS 8 from the requirement to disclose transactions with related parties where 90% of the voting rights are controlled by the same group and consolidated financial statements are prepared by the group.

2 Income from shares in subsidiary undertakings

This represents dividends receivable from Rockwool Limited, the company's wholly owned subsidiary.

3 Profit on ordinary activities before taxation

None of the directors of the company receive any remuneration for their services to the company. The details of their remuneration from the company's subsidiary, Rockwool Limited, are shown in the financial statements of that company. Auditors' remuneration amounted to £1,000 (2001: £1,000).

4 Taxation

	2002 £000	2001 £000
UK corporation tax charge at 30% (2001: 30%)	94	134
Factors affecting the tax charge:		
Profit on ordinary activities before tax	3,215	1,626
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	964	488
Dividend receivable under Group Income Election	(870)	(354)
Current tax charge	94	134

Notes (continued)

5 Fixed assets - investments

This represents a 100% interest, at cost, in Rockwool Limited, which is incorporated in Great Britain and registered in England and Wales, and is a manufacturer and distributor of insulation material.

6 Debtors

	2002 £000	2001 £000
Amount owed by subsidiary undertaking	5,750	5,000
Dividend receivable	2,900	1,181
	<u>8,650</u>	<u>6,181</u>

Amount owed by subsidiary undertaking comprises:

- (i) £5,000,000 owed by the subsidiary undertaking which bears interest at 5% per annum and is not repayable before 31 December 2003.
- (ii) £750,000 owed by the subsidiary undertaking which bears interest at 4% per annum and is repayable by 30 September 2003.

7 Creditors: amounts falling due within one year

	2002 £000	2001 £000
Trade creditors	3	56
Corporation tax	48	77
Proposed dividend	3,121	1,181
	<u>3,172</u>	<u>1,314</u>

8 Called up share capital

	2002 £000	2001 £000
Authorised, allotted, called up and fully paid £1 ordinary shares	<u>16,520</u>	<u>16,520</u>

Notes (continued)

9 Reconciliation of movements in shareholders' funds

	2002 £000	2001 £000
At beginning of year	17,522	17,211
Profit for the financial year	3,121	1,492
Dividend	(3,121)	(1,181)
	<hr/>	<hr/>
At end of year	17,522	17,522
	<hr/>	<hr/>

10 Ultimate parent undertaking

The ultimate parent undertaking is Rockwool International A/S, incorporated in Denmark, whose consolidated accounts are available from that company at DK 2640, Hedehusene, Denmark. Consolidated accounts for the company and its subsidiary undertaking Rockwool Limited have not been prepared, as permitted by S228 of the Companies Act 1985.