REGISTERED NUMBER: 03291592 (England and Wales)

Saint-Gobain Limited

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2021

Contents of the Financial Statements
for the year ended 31 December 2021

Company Information
for the year ended 31 December 2021

DIRECTORS:	M S Chaldecott N J Cammack R J Batley
SECRETARY:	R Keen
REGISTERED OFFICE:	Saint-Gobain House East Leake Loughborough Leicestershire LE12 6JU
REGISTERED NUMBER:	03291592 (England and Wales)
AUDITORS:	KPMG LLP Chartered Accountants St Nicholas House Park Row Nottingham NG1 6FQ

Strategic Report
for the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS
The company's principal activity is to hold investments and provide professional and managerial services to all of the UK and Irish companies within the Saint-Gobain group. The company also has an agency role collecting supplier fees for all of Saint-Gobain's building distribution businesses in Europe. These fees are then distributed across those businesses. The revenue for this arrangement is presented net of the amounts shared with the participating building distribution businesses. As part of Saint-Gobain's global Grow & Impact strategic plan, there have been significant divestments within the European building distribution businesses, including the Graham brand within the company's direct subsidiary, Saint-Gobain Building Distribution Limited. Due to this the supplier fees have fallen in the year. There have been no other significant changes to the business in 2021.

The profit for the year after taxation was £6,738,000 (2020: loss of £665,279,000).

PRINCIPAL RISKS AND UNCERTAINTIES
The company considers the current state of the economy, both globally and within the United Kingdom, to present challenges to its business and the companies for whom it provides services. The activities of the company and its subsidiaries continued to be affected by Covid-19 throughout 2021. Although customer demand rebounded for the trading subsidiaries, the results were affected by shortage of supply and increased cost pressures, particularly on energy costs.

The results for 2022 are expected to continue to show the impact of supply constraints as well as higher inflation.

KEY PERFORMANCE INDICATORS
The company reviews its performance by using a number of financial and non-financial indicators. The most important ones are listed below:

	2021 £'000	2020 £'000
Revenue	40,296	42,089
Percentage (decrease) / increase in revenue	(4.26%)	22.69%
Operating loss	(1,187)	(911)
Retained earnings	(1,208,453)	(1,214,089)
Safety - TF1 (No of Lost Time Injuries in year/No of hours worked in year)*1,000,000	0	0

STREAMLINED ENERGY AND CARBON REPORTING

The Company sets out below all of the emissions' sources required under the Companies Act 2006 (Strategic Report and Directors Reports) Regulations 2013.

Global GHG emissions and energy use data for the year ended 31 December 2021:

	2021	2020
Energy consumption relating to gas, electricity and transport fuel (kWh)2	384,605	459,374
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) tonnes CO2e1	88	107
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) Tonnes CO2e1	3	4
Total gross Scope 1 & Scope 2 emissions tonnes CO2e1	91	111
IntensityEmissions from scope 1 and 2 sources per £m of sales	2.26	2.64

1. Scope 1 and 2 emissions are calculated using the UK Government Conversion Factors for 2021.
2. 13% of the data used to calculate the 2021 carbon emissions are estimated (2020 was all based on actual data).

Net Zero Carbon
The Company is committed to becoming carbon neutral by 2050.

We have further committed to reduce our Scope 1 (direct emissions from our plants) and our Scope 2 (electricity related emissions) by 33% by 2030 (in absolute terms from a 2017 base line); and our Scope 3 (value chain emissions) by 16% over the same period.

The Company pursues a range of methods to reduce our direct emissions on our sites (scope 1), indirect emissions mainly linked to the use of electricity (scope 2), and emissions upstream and downstream of our value chain (scope 3).

STREAMLINED ENERGY AND CARBON REPORTING - continued

Net Zero Carbon - continued

These methods include product design and new composition for materials, making industrial processes more energy efficient, moving our energy mix towards low-carbon and renewable sources, working with partners who supply raw material and those who transport our products to lower their emissions, and finally, investigating carbon capture and sequestration solutions for residual emissions.

On into the future, we adapt these methods to uncertainty - as new technologies, solutions and challenges emerge.
We use a scenario-based approach, looking at different technical options and the development of economic circumstances to be ready, by 2030, to make the decisive investment and development decisions to achieve our 2050 goals.

We see our goals in steps - the first being reductions in Scope 1 and 2 emissions by 2025, and then further milestones for broader and even more ambitious reductions by 2030.

On into the future, we adapt these methods to uncertainty - as new technologies, solutions and challenges emerge.

There are a number of ongoing projects aimed at reducing emissions from the Company's vehicle fleet;

- Mechanical handling equipment - the majority of new equipment runs on LPG, replacing the existing diesel equipment.
- Cars - the existing fleet is being replaced with low emission hybrid or all electric cars. We expect to complete this by 2024.
- Vans - following a successful trial, diesel vans will be replaced with electric or hybrid vans.
- Commercial vehicles - trials have been concluded on the introduction of lower emission Hydrotreated Vegetable Oil (HVO) fuel. We are now looking to roll this out where feasible.

SECTION 172(1) STATEMENT
The company is owned by several shareholders within EU countries, all of which are 100% owned by Compagnie de Saint-Gobain. The directors consider that their duty to promote the success of the company for the benefit of its members as a whole means that they should fully support Compagnie de Saint-Gobain in its purpose of "Making the world a better home".

We operate both internationally and locally and are fully integrated within our local communities to support their vitality and help build a fairer and more sustainable world.

"MAKING THE WORLD A BETTER HOME"
Our purpose sets the course for our common future. Together with and for our customers, we design, manufacture and distribute materials and solutions that have a positive impact on everyone's life and provide well-being, quality of life and performance, while caring for the planet.

Our purpose reflects who we are. Our 350 years of history, our collective strength and our leadership empower us to pursue our development, by addressing the major challenges facing humanity, namely, climate change, resource protection and inclusion. We are both an international and multi-local company, fully integrated into the territories where we operate to support their vitality and help build a fairer and more sustainable, open and engaging world.

Our purpose is a call to action. Our approach is clearly focused on the future. Together with our customers, partners and all our stakeholders, it guides our action to unleash individual and collective aspirations, and enable everyone to live better in the world. It calls on us to innovate openly, with the ever-renewed ambition of better uniting humanity and nature for the common good.

Our purpose is based on values that guide us. We carry out our business in compliance with the principles of conduct and action and the humanist values that permeate our corporate culture. Listening, dialogue, care, solidarity, trust and respect for difference are central to our commitment.

This is the profound ambition of our purpose: to act every day to make the world a more beautiful and sustainable place to live.

Through its purpose, Saint-Gobain bases its development on strong values embodied in nine Principles of Conduct and Action, which constitute a true code of ethics. Formalized in 2003, translated into 33 languages, and distributed to all employees, these principles constitute an ethical reference applicable in action. They are a condition of belonging to the Group. The directors of the company have fully embraced and implemented these values as part of the foundation of our business.

SECTION 172(1) STATEMENT - continued

General Principles of Conduct
o Professional commitment
o Respect for others
o Integrity
o Loyalty
o Solidarity

Principles of Action
o Respect for the law
o Caring for the environment
o Worker health and safety
o Employee rights

Saint-Gobain Attitudes
o Cultivate customer intimacy: Focusing on our customers
o Act as an entrepreneur: Setting ambitious goals, priorities, clear rules
o Innovate: Acquiring new knowledge, developing things together
o Be agile: Acting proactively and quickly, living digitalization
o Build an open and engaging culture: Be collaborative and constructive within and outside Saint-Gobain

A strong compliance culture
The Directors have acted in support of the continued development of the strong Saint-Gobain Compliance Culture.

This is built on the following principles:

Sustainable Development - Communication with employees about the Principles of Conduct and Action and importance of Sustainable Development has continued.
Competition law compliance - The roll-out of training for colleagues on competition compliance has continued.
Corruption prevention & Compliance with economic sanctions and embargoes - Training on this has continued to be deployed to colleagues during the year with specialized external advice and training.
Internal audit and business control - Directors have continued to ensure entities understand and adhere to the businesses control framework and formal risk management planning.
Whistleblowing system - Directors have ensured that the policy and channels available to colleagues have been promoted across the business to ensure colleagues are aware of how to raise issues of concern.

The directors also fulfil their duty by particularly looking at the following areas:
o Employment policies
o Safety, ethics and environment
o Sustainable purchasing and payments to suppliers

ENVIRONMENT
Compagnie de Saint-Gobain recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities.

The company operates in accordance with Compagnie de Saint-Gobain's policies, as noted in the group's Annual Report, which does not form part of this report. Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Strategic Report
for the year ended 31 December 2021

EMPLOYMENT POLICIES
Our values are at the heart of Saint-Gobain Limited's culture. These values support the Saint-Gobain group's General Principles of Conduct and Action. In demonstration of our values, our business practices are as a minimum compliant with all statutory requirements and employees are actively trained and reminded of these values during their employment with the company.

Progress through people

We aim to build on our internal talent. To do this we have made structured training and development activities an integral part of the professional development of our people. To help reach this target, we have developed a comprehensive support and development system, including a renewed focus on succession planning and talent management within the business.

The company attaches considerable importance to keeping its employees informed on matters affecting their jobs and the progress of the business. There are various communication channels, including global and national magazines, an intranet site and emails, monthly company briefs and bi-annual road shows along with face-to-face communication between all staff and their manager. All these communication channels, along with training programmes, enhance awareness of financial, economic and operational factors affecting the company's performance and promote good communication and mutual understanding.

The company does not discriminate on the grounds of sex, marital status, ethnic origin, colour, nationality, disability, age, sexual orientation, or any other discriminatory grounds, whether or not prohibited by legislation.

All employees in the UK with at least three months' continuous service are eligible to join the Compagnie de Saint-Gobain Employee Share Plan. This tax-free plan enables employees to share in the company's growth by investing money from gross salary, and as long as the shares are held for at least five years, the savings will be free of income tax and national insurance.

Training & Development

The company utilises a structured employee induction process; this introduction to the company covers our objectives, our values and human resource and policies. In addition, a half day Environmental, Health & Safety Induction is held for all new starters in the first few days of them joining the company.

The company organises training in management issues, to current and future leaders in the business through a number of key providers, including internal Saint-Gobain offerings.

Professional qualifications

We endeavour to empower our employees through sponsorship of professional qualifications and accreditations in various disciplines.

ON BEHALF OF THE BOARD:

N J Cammack

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N J Cammack - Director

Date: 29 September 2022

Report of the Directors
for the year ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The company's principal activity is to hold investments and provide professional and managerial services to all of the UK and Irish companies within the Saint-Gobain group. The company also has an agency role collecting supplier fees for all of Saint-Gobain's building distribution businesses in Europe. These fees are then distributed across those businesses. The revenue for this arrangement is presented net of the amounts shared with the participating building distribution businesses.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021 (2020: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

M S Chaldecott
N J Cammack
R J Batley

POLITICAL DONATIONS AND EXPENDITURE

There were no political contributions in either the current or prior year.

GOING CONCERN

The company is profitable, and in a net assets position. The directors have given careful consideration to the forecasts for the 12 months following the signing of these accounts, which show continued profitability and cash generation from operations.

As a member of the Saint-Gobain UK & Ireland group of companies, together referred to as the 'UKI group', the company meets its day-to-day working capital requirements through operating cash flows, access to the group cash pooling arrangement and intercompany funding (see notes 12 and 13). The entity forms an integral part of the wider operation of the UKI group and as such is reliant on the continuation of the UKI group including for funding already provided and for access to the cash pool within debtors and creditors (see notes 12 and 13). In making the going concern assessment the directors have considered the cash flow forecasts for the company, and also those of the UKI group for a period of 12 months from the date of approval of these financial statements.

Those forecasts are dependent on the continuation of the company's involvement in the UKI group cash pooling arrangement. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

DISCLOSURE IN THE STRATEGIC REPORT

Information in respect of employees and potential employees is shown in the Strategic Report and has not been duplicated in this report.

Report of the Directors
for the year ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless they are 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
Pursuant to section 487 of the companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in the office.

ON BEHALF OF THE BOARD:

NJ Cammack.
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N J Cammack - Director

Date: 29 September 2022

Report of the Independent Auditors to the Members of Saint-Gobain Limited

Opinion

We have audited the financial statements of Saint-Gobain Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Report of the Independent Auditors to the Members of Saint-Gobain Limited

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited incentives, rationalisations and opportunities to fraudulently adjust revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected account combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following area as that most likely to have such an effect: employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Report of the Independent Auditors to the Members of Saint-Gobain Limited

Strategic report and directors' report

The directors arc responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Date: 30 September 2022

Profit and Loss Account
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	2	40,296	42,089
Cost of sales		(37,856)	(37,170)
GROSS PROFIT		2,440	4,919
Administrative expenses		(3,627)	(5,830)
OPERATING LOSS		(1,187)	(911)
Amounts written off fixed asset investments	4	-	(673,000)
Income from shares in group undertakings		-	1,879
Interest receivable and similar income	5	29,071	31,976
Interest payable and similar expenses	6	(20,172)	(23,724)
PROFIT/(LOSS) BEFORE TAXATION	7	7,712	(663,780)
Tax on profit/(loss)	8	(974)	(1,499)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		6,738	(665,279)

The notes form part of these financial statements

Other Comprehensive Income
for the year ended 31 December 2021

	2021 £'000	2020 £'000
PROFIT/(LOSS) FOR THE YEAR	6,738	(665,279)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Actuarial gain on defined benefit plan	(646)	5,747
Deferred tax rate change	(649)	(85)
Income tax relating to items that will not be reclassified to profit or loss	161	(1,092)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(1,134)	4,570
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,604	(660,709)

The notes form part of these financial statements

Balance Sheet
31 December 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Owned			
Intangible assets	9	196	396
Tangible assets	10	9,220	11,191
Right-of-use			
Tangible assets	10, 16	848	1,794
Pension asset	20	9,941	10,809
Investments	11	161,974	162,252
		182,179	186,442
CURRENT ASSETS			
Debtors	12	1,307,772	1,081,982
Cash at bank		455	294
		1,308,227	1,082,276
CREDITORS			
Amounts falling due within one year	13	(1,019,021)	(802,393)
NET CURRENT ASSETS		289,206	279,883
TOTAL ASSETS LESS CURRENT LIABILITIES		471,385	466,325
CREDITORS			
Amounts falling due after more than one year	14	(300,513)	(301,553)
PROVISIONS FOR LIABILITIES	17	(1,036)	(572)
NET ASSETS		169,836	164,200
CAPITAL AND RESERVES			
Called up share capital	18	1,378,289	1,378,289
Retained earnings	19	(1,208,453)	(1,214,089)
SHAREHOLDERS' FUNDS		169,836	164,200

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

N J Cammack

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N J Cammack - Director

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	1,378,289	(553,376)	824,913
Changes in equity			
Total comprehensive income:			
Loss for the year	-	(665,279)	(665,279)
Other comprehensive income	-	4,570	4,570
Total comprehensive expense for the year	-	(660,709)	(660,709)
Transactions with shareholders recorded directly in equity;			
Capital contributions – share based payments	-	2	2
Deferred tax - share based payments	-	(6)	(6)
Balance at 31 December 2020	1,378,289	(1,214,089)	164,200
Changes in equity			
Total comprehensive income:			
Profit for the year	-	6,738	6,738
Other comprehensive expense	-	(1,134)	(1,134)
Total comprehensive income for the year	-	5,604	5,604
Transactions with shareholders recorded directly in equity;			
Capital contributions – share based payments	-	(83)	(83)
Deferred tax - share based payments	-	115	115
Balance at 31 December 2021	1,378,289	(1,208,453)	169,836

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation
Saint-Gobain Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 03291592 and the registered address is Saint-Gobain House, East Leake, Loughborough, Leicestershire, LE12 6JU.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

o A Cash Flow Statement and related notes;
o Comparative period reconciliations for tangible fixed assets and intangible fixed assets;
o Disclosures in respect of transactions with wholly owned subsidiaries;
o Disclosures in respect of capital management;
o The effects of new but not yet effective IFRSs;
o Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Compagnie de Saint-Gobain include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

o IFRS 2 Share Based Payments in respect of group settled share based payments;
o Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets;
o Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
o Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company in the current and prior periods including the comparative period reconciliation for goodwill;
o Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Adoption of the following standards has not caused any significant impact on the financial statements:

o Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

This introduced a practical expedient in IFRS 9 to update the effective interest rate instead of recognising a gain or loss when a modification of a financial contract occurs as a result of the IBOR reform, a similar practical expedient will apply for IFRS 16, and for companies applying IAS 39. The amendments to IFRS 7 requires additional disclosures about the nature and exposure to risks from the interest rate benchmark reform, how they manage such risks and the progress to transition to alternative benchmark rates.
Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

Measurement convention
The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale and investment property or, in the case of plant, machinery and equipment at deemed cost. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1. ACCOUNTING POLICIES - continued

Going Concern
The company is profitable, and in a net assets position. The directors have given careful consideration to the forecasts for the 12 months following the signing of these accounts, which show continued profitability and cash generation from operations.

As a member of the Saint-Gobain UK & Ireland group of companies, together referred to as the 'UKI group', the company meets its day-to-day working capital requirements through operating cash flows, access to the group cash pooling arrangement and intercompany funding (see notes 12 and 13). The entity forms an integral part of the wider operation of the UKI group and as such is reliant on the continuation of the UKI group including for funding already provided and for access to the cash pool within debtors and creditors (see notes 12 and 13). In making the going concern assessment the directors have considered the cash flow forecasts for the company, and also those of the UKI group for a period of 12 months from the date of approval of these financial statements.

Those forecasts are dependent on the continuation of the company's involvement in the UKI group cash pooling arrangement. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Revenue recognition and agency treatment of supplier fees
Turnover is derived from continuing operations. It represents the provision of professional services, net of Value Added Tax, to UK and Ireland based subsidiary companies of Compagnie de Saint-Gobain.

The company also collects the supplier fees in respect of all Saint-Gobain Building Distribution businesses in Europe, acting as an agent. The revenue for this arrangement is presented net of the amounts shared with the participating Building Distribution businesses.

Tangible fixed assets
Property, plant and equipment are stated at deemed cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Buildings	8 - 40 years
Plant and equipment	3 years
Right of use assets under IFRS 16	life of the lease

Intangible assets and goodwill
Intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives off intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. the estimated useful lives are as follows:

Computer software	3 - 5 years

1. ACCOUNTING POLICIES - continued

Financial instruments
(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets
(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

1. ACCOUNTING POLICIES - continued

(ii) Classification and subsequent measurement - continued

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. Investments in subsidiaries are carried at cost less impairment.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Financial liabilities and equity

Financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:
(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Foreign exchange and commodity derivatives
Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

1. **ACCOUNTING POLICIES - continued**

Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item (including a non-financial item that becomes a firm commitment for which fair value hedge accounting is applied - see below), the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Fair value hedges
Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

(iv) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL [Trade receivables and contract assets with significant financing component are measured using the general model described above].

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Taxation
Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Foreign currency
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Investments in debt and equity securities
Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment. Financial instruments held for trading or designated upon initial recognition or at the IAS 39 transition date if later are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Derivative financial instruments and hedging
Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Intra-group financial instruments
The company operates a central UK treasury function incorporating all of the UK companies. The balances at the year end are shown in trade receivables and trade payables. All currency purchases and sales, including forward contracts, are made through Compagnie de Saint-Gobain.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Leases
IFRS 16, "Leases" eliminates the distinction between operating leases and finance leases that existed under IAS 17, introduces a single lessee accounting model and requires lessees to account for virtually all leases on their balance sheet by recognising:
o an asset representing the right to use the leased asset over the lease term ("right-of-use asset");
o a liability representing the obligation to make lease payments ("lease liability");
o an equity impact net of deferred taxes.
In the income statement, rental expense is replaced by:
o depreciation of the right-of-use asset; and
o interest on the lease liability.

The company has applied IFRS 16 using the full retrospective method at January 1, 2019 (i.e., with effect from January 1, 2018).

The following recognition exemptions proposed by IFRS 16 have been used by the company:
o leases with a lease term of 12 months or less;
o leases where the underlying asset has a value of less than US$ 5,000 when new.

At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The useful life of non-movable leasehold improvements cannot exceed the useful life of the right-of-use assets to which they relate.

The lease term corresponds to the non-cancellable period of the lease, plus any renewal (or termination) options that the company is reasonably certain to exercise (or not to exercise). The company determined whether or not lease renewal (or termination) options were reasonably certain to be exercised based on various criteria including location, criticality, ease of replacement and existence of leasehold improvements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. In most cases, especially for the leases restated on implementation of the standard, the company's incremental borrowing rate has been used.

1. **ACCOUNTING POLICIES - continued**

Employee benefit costs

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as incurred.

Defined benefit plans

The company's net obligation in respect of defined benefit pension plans and other post employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets (at bid prices) is deducted. The liability discount rate is the yield at the balance sheet date on the AA credit rated bonds that have maturity dates approximating to the terms of the company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the profit and loss account.

All actuarial gains and losses that arise in calculating the company's obligation in respect of a plan are now recognised in full in the period in which they arise.

Some of the company's employees are members of defined benefit pension plans operated within the group. The net defined benefit cost of the plans is charged to participating entities on the basis of current pensionable pay.

Share-based payments

Saint-Gobain operates stock option and performance share plans which are decided by the Board of Directors of Compagnie de Saint-Gobain, the ultimate holding company. Full details of these share based payments can be found in the annual report of Compagnie de Saint-Gobain.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options.

The Saint-Gobain group also offers opportunities for employees to purchase shares through a monthly tax-free plan and an annual discounted purchase plan. The impact of these schemes is not material to the company in 2021.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Impairment
The carrying amounts of the company's non-financial assets other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Reversals of impairment
An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1. ACCOUNTING POLICIES - continued

Trade and other receivables
Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

Provisions
A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Expenses
Net financing costs
Net financing costs comprise interest payable, finance charges on shares classified as liabilities and finance leases, interest on defined benefit pension obligations, expected return on defined benefit pension assets, interest receivable on funds invested, dividend income, foreign exchange gains and losses that are recognised in the profit and loss account (see accounting policy for derivative financial instruments and hedging).

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

Government grants
UK Government Coronavirus Job Retention Scheme grants are offset against the costs in the periods when the costs are incurred, as long as the income is likely to be received. The income is offset in the same lines in the profit and loss account as the associated costs, but without offset in the Employees and Directors and Profit before tax notes.

2. TURNOVER

An analysis of turnover by class of business is given below:

	2021	2020
	£'000	£'000
Professional services	37,347	36,813
Supplier fees	2,949	5,276
	40,296	42,089

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£'000	£'000
Wages and salaries	18,115	14,171
Social security costs	1,726	1,547
Other pension costs	3,092	3,041
	22,933	18,759

The average number of employees during the year was as follows:

	2021	2020
Management & administration	320	320

Notes to the Financial Statements - continued
for the year ended 31 December 2021

3. EMPLOYEES AND DIRECTORS - continued

Directors' remuneration

	2021 £'000	2020 £'000
Directors' emoluments	882	809
Company pension contributions	133	108
	1,015	917

The aggregate of emoluments of the highest paid director was £418,000 (2020: £352,000) and pension contributions of £89,000 (2020: £77,000) were made on his behalf. During the year, the highest paid director received share options under a long term incentive scheme. The highest paid director was a member of the defined benefit scheme as at 31 December 2021 (31 December 2020: one).

As at 31 December 2021 three directors were members of a defined benefit pension scheme (31 December 2020: three).

4. EXCEPTIONAL ITEMS

	2021 £000	2020 £000
Investment impairment - Saint-Gobain Building Distribution Limited	-	641,029
Investment impairment - Saint-Gobain Glass United Kingdom Limited	-	31,971
Amounts written off fixed asset investments	-	673,000

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Interest income - group	28,783	31,622
Other interest receivable	148	213
Expected return on defined benefit pension plan assets	140	141
	29,071	31,976

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Other interest payable	15	29
Interest expense - group	19,529	20,094
Leasing	54	86
Net foreign exchange loss	574	3,515
	20,172	23,724

7. PROFIT/(LOSS) BEFORE TAXATION

The profit before taxation (2020 - loss before taxation) is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Depreciation - owned assets	3,867	4,274
Depreciation - right of use assets	306	400
(Profit)/loss on disposal of fixed assets	(180)	213
Computer software amortisation	175	193
Share based payments	(83)	216
Auditor's remuneration	35	30
Investment impairment	-	673,000
Government support for Covid-19	-	(1,260)

During the year the company received £nil (2020: £1,260,000) in support from the UK government in respect of Coronavirus (Covid-19). This was mainly due to the job retention scheme whilst employees were unable to work.

8. TAXATION

Analysis of tax expense

	2021	2020
	£'000	£'000
Current tax:		
Current tax current year	961	1,790
Current tax prior years	(78)	48
Total current tax	883	1,838
Deferred tax:		
Deferred tax current year	489	(269)
Deferred tax prior years	26	37
Deferred tax rate change	(424)	(107)
Total deferred tax	91	(339)
Total tax expense in profit and loss account	974	1,499

8. **TAXATION - continued**

Factors affecting the tax expense

	2021	2020
	£'000	£'000
Profit/(loss) before income tax	7,712	(663,780)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,465	(126,118)
Effects of:		
Non-deductible expenses	165	126
First year allowances	(180)	-
Non taxable income - dividend	-	(357)
Non-taxable investment impairment	-	127,870
Deferred tax rate change	(424)	(107)
Adjustments in respect of prior period	(52)	85
Tax expense	974	1,499

Tax effects relating to effects of other comprehensive income

			2021
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial gain on defined benefit plan	(646)	161	(485)
Deferred tax rate change	-	(649)	(649)
	(646)	(488)	(1,134)

			2020
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial gain on defined benefit plan	5,747	(1,092)	4,655
Deferred tax rate change	-	(85)	(85)
	5,747	(1,177)	4,570

Factors affecting future tax charges
An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 December 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2020: 19%).

9. INTANGIBLE FIXED ASSETS

	Computer software £'000
COST	
At 1 January 2021	2,910
Disposals	(87)
At 31 December 2021	2,823
AMORTISATION	
At 1 January 2021	2,514
Amortisation for year	175
Eliminated on disposal	(62)
At 31 December 2021	2,627
NET BOOK VALUE	
At 31 December 2021	196
At 31 December 2020	396

The amortisation for the year of £175,000 is recognised within administrative expenses.

10. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant & equipment £'000	Totals £'000
COST			
At 1 January 2021	3,601	36,786	40,387
Additions	-	3,441	3,441
Disposals	(2,403)	(1,972)	(4,375)
At 31 December 2021	1,198	38,255	39,453
DEPRECIATION			
At 1 January 2021	1,799	25,603	27,402
Charge for year	27	4,146	4,173
Eliminated on disposal	(808)	(1,382)	(2,190)
At 31 December 2021	1,018	28,367	29,385
NET BOOK VALUE			
At 31 December 2021	180	9,888	10,068
At 31 December 2020	1,802	11,183	12,985

	Land and buildings £'000	Plant and equipment £'000	Totals £'000
SPLIT OF NET BOOK VALUE			
Owned	180	9,040	9,220
Leased (see note 16)	-	848	848
	180	9,888	10,068

Notes to the Financial Statements - continued
for the year ended 31 December 2021

11. INVESTMENTS

	Shares in group undertakings £'000	Unlisted investments £'000	Totals £'000
COST			
At 1 January 2021			
and 31 December 2021	1,577,769	480	1,578,249
PROVISIONS			
At 1 January 2021	1,415,997	-	1,415,997
Provision for year	-	278	278
At 31 December 2021	1,415,997	278	1,416,275
NET BOOK VALUE			
At 31 December 2021	161,772	202	161,974
At 31 December 2020	161,772	480	162,252

Notes to the Financial Statements - continued
for the year ended 31 December 2021

11. **INVESTMENTS - continued**

The company's investments in subsidiaries and associates are as follows:

	Registered office	Ownership of shares and voting rights	
	See key below	2021	2020
Cemfil International Limited †	1	100.00%	100.00%
Saint-Gobain Building Distribution Limited †	1	100.00%	100.00%
Saint-Gobain High Performance Solutions UK Limited †	1	100.00%	100.00%
Saint-Gobain Glass (United Kingdom) Limited †	1	100.00%	100.00%
Saint-Gobain Abrasives Limited	1	100.00%	100.00%
Farecla Products Limited	1	100.00%	100.00%
Pritex Limited	1	100.00%	100.00%
L M Van Moppes & Sons Diamond Tools Limited	1	100.00%	100.00%
Nimbus Diamond Tool & Machine Co. Limited	1	100.00%	100.00%
Universal Grinding Wheel Company Limited	1	100.00%	100.00%
Benchmark Building Supplies Limited	1	100.00%	100.00%
Crompton Building Supplies Limited	1	100.00%	100.00%
Ceramic Distribution Limited	1	100.00%	100.00%
Tile and Stone Depot Property Company Limited	1	100.00%	100.00%
Tile and Stone Properties Limited	1	100.00%	100.00%
Tile Depot Property Company Limited	1	100.00%	100.00%
Gibbs and Dandy Limited	1	100.00%	100.00%
Jewson Limited	1	100.00%	100.00%
SGBD Property Holdings Limited	1	100.00%	100.00%
Meyer 9 Limited	1	100.00%	100.00%
Meyer International Finance and Property Limited	1	100.00%	100.00%
Meyer 6 Limited	1	100.00%	100.00%
Graham Group Limited	1	100.00%	100.00%
Saint-Gobain Roofspace Limited	1	100.00%	100.00%
Roofspace Solutions Limited	1	100.00%	100.00%
Saint-Gobain Industrial Ceramics Limited	1	100.00%	100.00%
Saint-Gobain Performance Plastics Corby Limited	1	100.00%	100.00%
Saint-Gobain Performance Plastics Tygaflor Limited	1	100.00%	100.00%
Saint-Gobain Quartz Limited	1	9.80%	9.80%
Saint-Gobain Employee Share Plans Limited †	1	100.00%	100.00%
Saint-Gobain Glass UK Limited	1	100.00%	100.00%
H. & T. Bellas Limited	1	100.00%	100.00%
SGBD Newco Limited	1	100.00%	100.00%
SGBD Newco 3 Limited	1	100.00%	0.00%
SGBD Newco 2	1	100.00%	100.00%
SGBD Prism UK EIG	1	11.00%	10.00%
Saint-Gobain UK Pension Trustees Limited †	1	100.00%	0.00%
L M Van Moppes Diamond Tools India Pvt Limited	2	49.00%	49.00%
Domestic Heating Services (Wholesale) Limited	3	100.00%	100.00%
J P Corry (NI) Limited	4	100.00%	100.00%
Norman Limited	5	100.00%	100.00%
Philip M. Bassett Limited	6	100.00%	100.00%
V P Jebb Limited	6	100.00%	100.00%
Pasquill Roof Trusses Limited	7	100.00%	100.00%
Q-Bot Limited †	8	3.30%	3.30%
Scotframe Limited	9	100.00%	100.00%
Scotframe Timber Engineering Limited	9	100.00%	100.00%
Lambda Polyurethane Systems Limited	9	100.00%	100.00%
Val-U-Therm Limited	9	100.00%	100.00%
Scothaus Limited	9	100.00%	100.00%
United Builders Merchants Limited (In MVL)	10	100.00%	100.00%

Notes to the Financial Statements - continued
for the year ended 31 December 2021

11. **INVESTMENTS - continued**

	Registered office	Ownership of shares and voting rights	
		2021	2020
Carborundum U.K. Limited (in liquidation)	10	100.00%	100.00%
Farecla Products Incorporated	11	100.00%	100.00%
Saint-Gobain Norpro India Private Limited	12	100.00%	100.00%
R K Timber Limited (in liquidation)	13	100.00%	100.00%
Harcros Dormants Limited (in liquidation)	13	100.00%	100.00%
Addictive Manufacturing Technologies Ltd	14	1.60%	0.00%
Toyoda Van Moppes	15	34.00%	34.00%

† *Direct holding*

Registered office address key:
1 Saint-Gobain House East Leake, Loughborough, Leicestershire, United Kingdom, LE12 6JU
2 Huzur Gardens, Sembiam, Madras 600 011, India
3 Longcamps, St Sampson, Guernsey
4 648 Springfield Road, Belfast BT127EH, Northern Ireland
5 19 Commercial Buildings, Commercial Street, St. Helier JE1 1BU, Jersey
6 Mahon Industrial Estate, Portadown, Co. Armagh BT62 3EH, Northern Ireland
7 300 Crownpoint Road, Glasgow G40 2UJ, Scotland
8 Block G Riverside Business Centre, Bendon Valley, Wandsworth, SW18 4UQ
9 Inverurie Business Park, Souterford Avenue, Inverurie, Aberdeenshire, AB51 0ZJ
10 Mazars LLP, Tower Bridge House, St Katherines Way, London E1W 1DD, England
11 7160 Chagrin Road, Suite 120, Chagrin Falls OH 44023, United States
12 Army and Navy Building, 148 Mahatma Ghandi Road, Mumbai 400 001, India
13 Tower Bridge House, St. Katharines Way, London, E1W 1DD
14 Unit N Europa House, Sheffield Airport Business Park, Sheffield, England S9 1XU
15 *1-54 Shiroyama, Maiki Cho Azazaki City, Aichi Prefecture*

12. **DEBTORS**

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Other trade receivables and prepayments	20,565	16,895
Trade receivables from subsidiaries	1,361	3,492
Trade receivables from fellow subsidiaries	642	1,879
Trade receivables from parent companies	28	69
Intra group cash pooling balances	984,295	759,647
Corporation tax	881	-
	1,007,772	781,982
Amounts falling due after more than one year:		
Amounts owed by group undertakings	300,000	300,000
Aggregate amounts	1,307,772	1,081,982

Trade receivables are shown net of a provision of £1,778,000 (2020: £1,843,000).

On May 18, 2022, Compagnie de Saint-Gobain partially redeemed face value of £183,600,000 of this bond. The difference between the redemption value and the face value of the bonds redeemed (£16,100,000) will be recorded in other financial income/expense in the company in 2022.

Cash pooling balances are repayable on demand and interest is charged/credited at a variable arms-length value.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Bank loans and overdrafts (see note 15)	2,812	5,443
Leases (see note 16)	344	403
Other trade payables	4,938	1,753
Trade payables to subsidiaries	3,879	3,260
Trade payables to fellow subsidiaries	19,827	17,265
Trade payables to parent companies	37	5
Intra group cash pooling balances	974,697	752,315
Corporation tax	-	1,560
Foreign exchange derivatives	-	9,834
Social security and other taxes	3,477	3,483
Non trade payables and accrued expenses	9,010	7,072
	1,019,021	802,393

One loan was taken out in December 2019 for €450,000,000 from the parent company. The interest rate varies every three months and the loan was repaid in March 2021 and replaced by additional UK company cash pooling and short-term loans from the parent company where necessary. On May 18, 2022, Compagnie de Saint-Gobain partially redeemed face value of £183,600,000 of this bond. The difference between the redemption value and the face value of the bonds redeemed (£16,100,000) will be recorded in other financial income/expense in the company in 2022.

Cash pooling balances are repayable on demand and interest is charged/credited at a variable arms-length value.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£'000	£'000
Leases (see note 16)	513	1,553
Amounts owed to group undertakings	300,000	300,000
	300,513	301,553

One loan is from the parent company for £300,000,000 taken out on 13 November 2006 accruing interest at 5.9% per annum payable in arrears on 15 November each year. The loan is repayable in full on 15 November 2024.

15. FINANCIAL LIABILITIES - BORROWINGS

	2021	2020
	£'000	£'000
Current:		
Bank overdrafts	2,812	5,443
Leases (see note 16)	344	403
	3,156	5,846
Non-current:		
Leases (see note 16)	513	1,553

Terms and debt repayment schedule

	1 year or less	1-2 years	2-5 years	Totals
	£'000	£'000	£'000	£'000
Bank overdrafts	2,812	-	-	2,812
Leases	344	194	319	857
	3,156	194	319	3,669

The company has a combination of overdraft and money market loan facilities made available to it by its relationship banks. The facilities are uncommitted and are on an unsecured basis.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

16. LEASING

Right-of-use assets

Tangible fixed assets

	2021 £'000	2020 £'000
COST		
At 1 January 2021	2,931	2,734
Additions	903	285
Disposals	(2,566)	(236)
Reclassification/transfer	-	148
	1,268	2,931
DEPRECIATION		
At 1 January 2021	1,137	825
Charge for year	306	400
Eliminated on disposal	(1,023)	(236)
Reclassification/transfer	-	148
	420	1,137
NET BOOK VALUE	848	1,794

Lease liabilities

Minimum lease payments fall due as follows:

	2021 £'000	2020 £'000
Gross obligations repayable:		
Within one year	464	481
Between one and five years	853	1,793
	1,317	2,274
Finance charges repayable:		
Within one year	120	78
Between one and five years	340	240
	460	318
Net obligations repayable:		
Within one year	344	403
Between one and five years	513	1,553
	857	1,956

17. PROVISIONS FOR LIABILITIES

	2021 £'000	2020 £'000
Deferred Tax Liability	1,036	572

	Deferred tax £'000
Balance at 1 January 2021	572
Recognised during the year in the profit and loss account	373
Recognised in equity	91
Balance at 31 December 2021	1,036

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Property, plant and equipment	923	1,138	-	-	923	1,138
Share option scheme	253	138	-	-	253	138
Provisions	274	207	-	-	274	207
Employee benefits	-	-	(2,486)	(2,055)	(2,486)	(2,055)
	1,450	1,483	(2,486)	(2,055)	(1,036)	(572)

Movements in deferred tax in the year:

	1 January 2021 £000	Recognised in equity £000	Recognised in profit and loss £000	31 December 2021 £000
Property, plant and equipment	1,138	-	(215)	923
Share option scheme	138	115	-	253
Provisions	207	-	67	274
Employee benefits	(2,055)	(488)	57	(2,486)
	(572)	(373)	(91)	(1,036)

Movements in deferred tax during the prior year:

	1 January 2020 £000	Recognised in equity £000	Recognised in profit and loss £000	31 December 2020 £000
Property, plant and equipment	926	-	212	1,138
Share option scheme	144	(6)	-	138
Provisions	191	-	16	207
Employee benefits	(989)	(1,177)	111	(2,055)
	272	(1,183)	339	(572)

Notes to the Financial Statements - continued
for the year ended 31 December 2021

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
109,839,814	A Ordinary	£1	109,840	109,840
154,609,111	B Ordinary	£1	154,609	154,609
30,352,709	C Ordinary	£1	30,353	30,353
227,645	D Ordinary	£1	228	228
40,312,191	E Ordinary	£1	40,312	40,312
14,702,093	F Ordinary	£1	14,702	14,702
37,940,886	G Ordinary	£1	37,941	37,941
2,845,566	H Ordinary	£1	2,846	2,846
986,510,464	J Ordinary	£1	986,510	986,510
948,522	K Ordinary	£1	948	948
			1,378,289	1,378,289

19. RESERVES

	Retained earnings £'000
At 1 January 2021	(1,214,089)
Profit for the year	6,738
Other comprehensive income	(1,134)
Capital contributions - share based payments	(83)
Deferred tax - share based payments	115
At 31 December 2021	(1,208,453)

20. EMPLOYEE BENEFIT OBLIGATIONS

Pension plans

The company operates a defined benefit pension plan in the UK. The plan provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary at retirement and their length of service (although some benefits accrue on a Career Average Revalued Earnings (CARE) basis).

The plan is a registered scheme under UK legislation and is subject to the scheme funding requirements outlined in UK legislation.

The company has an unconditional right to a refund of any surplus in the plan if the plan winds up. Therefore, there is no additional liability recognised on the balance sheet as a result of the current recovery plan.

The plan was established under trust and is governed by the plan's trust deed and rules. The trustees are responsible for the operation and the governance of the plan, including making decisions regarding the plan's funding and investment strategy in conjunction with the company.

The plan exposes the company to actuarial risks such as; market (investment) risk, interest rate risk, inflation risk, currency risk, and longevity risk. The plan does not expose the company to any unusual plan-specific or company-specific risks.

At the end of the accounting year Plan members employed by Saint-Gobain Limited were transferred to the new Saint-Gobain Limited section. Members from the Construction Products section from the OSS division were transferred into the Building Distribution section. The movement of members and assets outwards in respect of the Saint-Gobain Limited section and inwards in respect of the OSS transfer have been allowed for as a plan transfer of assets and liabilities in 2021. In addition, the Plan closed to future accrual of benefits at the year end, this has been allowed for as a curtailment in the disclosures at 31 December 2021. As required under IAS19, the expense items have been remeasured from 18 October 2021 which is the point at which the decision was communicated to members. There have been no, settlements or other amendments to the Plan over the year.

During 2022 the Saint-Gobain UK Pension Scheme will be split into three Schemes. The Plan will become part of the Saint-Gobain Distribution UK Pension Scheme.

Following the High Court judgement in the Lloyd's case, overall pension benefits now need to be equalised as at 26 October 2018 to eliminate inequalities between males and females in respect of Guaranteed Minimum Pensions ('GMPs'). Approximate allowance was made in 2019 for equalising the benefits in respect of current members and continues to be included in the 2021 liabilities. A supplementary hearing in the Lloyds case on 20 November 2020 ruled that historic transfer values paid from the plan will also need to be revised to allow for the impact of GMP equalisation. Liabilities have been increased using the Company's best estimate of the uplifts to equalise the GMPs in historic transfer values. This forms part of the OCI as at 31 December 2020.

In November 2020, it was confirmed that the Retail Price Index (RPI) measure of inflation will be aligned with the Consumer Price Index (including owner-occupiers' housing costs, CPIH) from 2030. This change has been allowed for within the assumptions used for these disclosures by adjusting the gap between the RPI and CPI assumptions from that used in previous years. This allowance will continue to be kept under review in future years as the impact of this change on financial market conditions evolves.

A full actuarial valuation was carried out at 5 April 2020, the preliminary results of which have been updated to 31 December 2021 by a qualified independent actuary.

The net pension asset disclosed on the balance sheet is split between the Glass section, Building Distribution section and the Saint-Gobain Limited section of the scheme as follows:

	2021 £'000	2020 £'000
Glass section	-	(6,619)
Building Distribution section	-	(4,190)
Saint-Gobain Limited Section	(9,941)	-
Net asset	(9,941)	(10,809)

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Glass plan

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2021 £'000	2020 £'000
Present value of funded defined benefit obligations	389,420	432,489
Fair value of plan assets	(448,233)	(463,522)
Net obligations	(58,813)	(31,033)

Movements in present value of defined benefit obligation

	2021 £'000	2020 £'000
At 1 January	432,489	383,103
Current service cost (net of member contributions)	1,991	1,946
Interest cost	5,169	7,538
Net remeasurement (gain) / loss - financial	(20,825)	61,013
Net remeasurement gain - demographic	(766)	(3,408)
Net remeasurement gain - experience	-	(10,723)
Net remeasurement loss - GMP equalisation	-	394
Benefits paid	(11,935)	(7,374)
Plan transfers	(16,703)	-
At 31 December	389,420	432,489

Movements in fair value of plan assets

	2021 £'000	2020 £'000
At 1 January	463,522	410,816
Interest income on plan assets	5,506	8,106
Return on assets excluding interest income	8,814	50,308
Contributions by employer	2,231	2,065
Benefits paid	(11,935)	(7,374)
Plan administrative cost	(449)	(399)
Plan transfers	(19,456)	-
At 31 December	448,233	463,522

Expense recognised in the profit and loss account

	2021 £'000	2020 £'000
Current service cost (net of member contributions)	1,991	1,946
Net interest on defined benefit pension plan obligation	(337)	(568)
Plan administrative cost	449	399
Total	2,103	1,777

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Glass plan - continued

The expense is recognised in the following line items in the profit and loss account:

	2021 £'000	2020 £'000
Cost of sales	1,991	1,946
Administrative expenses	449	399
Finance income	(337)	(568)
	2,103	1,777

The fair value of the plan assets and the return on those assets were as follows:

	2021 Fair value £'000	2020 Fair value £'000
Equities	36,608	70,455
Government debt	247,181	257,959
Corporate bonds	68,333	54,511
Property	-	5
Others	96,111	80,592
	448,233	463,522
Actual return on plan assets	14,320	58,414

Principal actuarial assumptions (expressed as weighted averages):

	2021 %	2020 %
Discount rate	1.95	1.20
Future salary increases	2.00	2.00
RPI inflation	3.20	2.75
CPI inflation	2.70	2.15
Future pension increases		
- RPI inflation, max 5% p.a.	3.10	2.70
- CPI inflation, max 2.5% p.a.	2.00	1.75
	Years	Years
Life expectancy at age 65 for current pensioners (years):		
Males	21.7	21.7
Females	24.1	24.0
Life expectancy at age 65 for current members aged 45 (years):		
Males	23.0	23.0
Females	25.5	25.4

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 20 years.

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Glass plan - continued

A sensitivity analysis of the principal assumptions used to measure the plan's defined benefit obligation is:

	Impact on defined benefit obligation at 31 December 2021 £'000	2020 £'000
Discount rate:		
+ 0.5% p.a.	(33,300)	(39,270)
- 0.5% p.a.	36,998	43,811
Inflation rate:		
+ 0.5% p.a.	31,439	36,442
- 0.5% p.a.	(30,727)	(34,642)
Assumed life expectancy at age 65:		
+ 1 year	19,841	23,191
- 1 year	(19,663)	(22,886)

The plan's investment strategy is to invest broadly 40% in return seeking assets and 60% in matching assets (mainly government bonds). This strategy reflects the plan's liability profile and the trustees' and company's attitude risk.

The last scheme funding valuation of the plan was as at 5 April 2020 and revealed a funding surplus of £1,700,000.

In accordance with the schedule of contributions dated 30 April 2021 the company is expected to pay contributions of £700,000 over the next accounting period.

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Building Distribution plan

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2021 £'000	2020 £'000
Present value of funded defined benefit obligations	1,983,788	2,184,832
Fair value of plan assets	(2,221,944)	(2,263,514)
Net asset	(238,156)	(78,682)

Movements in present value of defined benefit obligation

	2021 £'000	2020 £'000
At 1 January	2,184,832	1,963,130
Current service cost (net of member contributions)	13,440	16,173
Past service cost	-	366
Interest cost	29,425	38,671
Net remeasurement (gain) / loss - financial	(144,822)	310,496
Net remeasurement gain - demographic	(3,937)	(17,253)
Net remeasurement gain - experience	-	(68,996)
Net remeasurement loss - GMP equalisation	-	1,380
Benefits paid	(59,181)	(59,135)
Plan transfers	(71,869)	-
Curtailment	35,900	-
At 31 December	1,983,788	2,184,832

Movements in fair value of plan assets

	2021 £'000	2020 £'000
At 1 January	2,263,514	1,965,272
Interest income on plan assets	30,618	39,104
Return on assets excluding interest income	31,244	285,352
Contributions by employer	37,716	37,470
Benefits paid	(59,181)	(59,135)
Plan administrative cost	(1,841)	(4,549)
Plan transfers	(80,126)	-
At 31 December	2,221,944	2,263,514

Expense recognised in the profit and loss account

	2021 £'000	2020 £'000
Current service cost (net of member contributions)	13,440	16,173
Past service cost	-	366
Net interest on defined pension plan obligation	(1,193)	(433)
Plan administrative cost	1,841	4,549
Curtailment	35,900	-
Total	49,988	20,655

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Building Distribution plan - continued

The expense is recognised in the following line items in the profit and loss account:

	2021 £'000	2020 £'000
Cost of sales	49,340	16,539
Administrative expenses	1,841	4,549
Finance income	(1,193)	(433)
	49,988	20,655

The fair value of the plan assets and the return on those assets were as follows:

	2021 Fair value £'000	2020 Fair value £'000
Equities	209,177	560,907
Government debt	1,078,464	583,884
Corporate bonds	390,548	477,337
Property	50	29
Other	543,705	641,357
	2,221,944	2,263,514
Actual return on plan assets	61,862	324,456

Principal actuarial assumptions (expressed as weighted averages):

	2021 %	2020 %
Discount rate	1.95	1.20
Future salary increases	2.00	2.00
RPI inflation	3.20	2.75
CPI inflation	2.70	2.15
Future pension increases		
- inflation, max 5% p.a.	3.10	2.70
- CPI inflation, max 2.5% p.a.	2.00	1.75
	Years	Years
Life expectancy at age 65 for current pensioners (years):		
Males	21.7	21.7
Females	24.1	24.0
Life expectancy at age 65 for current members aged 45 (years):		
Males	23.0	23.0
Females	25.5	25.5

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 20 years.

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Building Distribution plan - continued

A sensitivity analysis of the principal assumptions used to measure the plan's defined benefit obligation is:

	Impact on defined benefit obligation at 31 December	
	2021	2020
	£'000	£'000
Discount rate:		
+ 0.5% p.a.	(175,935)	(203,440)
- 0.5% p.a.	195,226	227,247
Inflation rate:		
+ 0.5% p.a.	136,343	154,416
- 0.5% p.a.	(135,802)	(145,588)
Assumed life expectancy at age 65:		
+ 1 year	102,919	119,422
- 1 year	(101,830)	(117,631)

The plan's investment strategy is to invest broadly 80% in return seeking assets and 20% in matching assets (mainly government bonds). This strategy reflects the plan's liability profile and trustees' and company's attitude to risk.

The last scheme funding valuation of the plan was as at 5 April 2020 and revealed a funding deficit of £346,000,000. In the recovery plan dated 30 April 2021 the company has agreed to pay £1,944,000 per month until 31 July 2025 which, after allowance for assumed asset outperformance, is expected to eliminate the shortfall by 31 July 2025.

In accordance with the schedule of contributions dated 30 April 2021 the group is expected to pay contributions of £24,500,000 over the next accounting period.

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Saint-Gobain Limited plan

The information disclosed below is in respect of the whole of the plans for which the company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the periods shown.

	2021 £'000	2020 £'000
Present value of funded defined benefit obligations	73,757	-
Fair value of plan assets	(83,698)	-
Net asset	(9,941)	-

Movements in present value of defined benefit obligation

	2021 £'000	2020 £'000
At 1 January	-	-
Plan transfers	73,757	-
At 31 December	73,757	-

Movements in fair value of plan assets

	2021 £'000	2020 £'000
At 1 January	-	-
Plan transfers	83,698	-
At 31 December	83,698	-

The fair value of the plan assets and the return on those assets were as follows:

	2021 Fair value £'000	2020 Fair value £'000
Equities	7,879	-
Government debt	40,624	-
Corporate bonds	14,712	-
Property	2	-
Other	20,481	-
	83,698	-
Actual return on plan assets	-	-

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Saint-Gobain Limited plan - continued

Principal actuarial assumptions (expressed as weighted averages):

	2021 %	2020 %
Discount rate	1.95	n/a
Future salary increases	2.00	n/a
RPI inflation	3.20	n/a
CPI inflation	2.70	n/a
Future pension increases		
- inflation, max 5% p.a.	3.10	n/a
- inflation, min 3% p.a. max 5% p.a.	3.65	n/a
- CPI inflation, max 2.5% p.a.	2.00	n/a
	Years	Years
Life expectancy at age 65 for current pensioners (years):		
Males	21.7	n/a
Females	24.1	n/a
Life expectancy at age 65 for current members aged 45 (years):		
Males	23.0	n/a
Females	25.5	n/a

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 20 years.

A sensitivity analysis of the principal assumptions used to measure the plan's defined benefit obligation is:

	Impact on defined benefit obligation at 31 December	
	2021 £'000	2020 £'000
Discount rate:		
+ 0.5% p.a.	(6,915)	-
- 0.5% p.a.	7,874	-
Inflation rate:		
+ 0.5% p.a.	5,249	-
- 0.5% p.a.	(4,946)	-
Assumed life expectancy at age 65:		
+ 1 year	3,810	-
- 1 year	(3,771)	-

The plan's investment strategy is to invest broadly 80% in return seeking assets and 20% in matching assets (mainly government bonds). This strategy reflects the plan's liability profile and trustees' and company's attitude to risk.

In accordance with the schedule of contributions dated 30 April 2021 the group is expected to pay contributions of £1,400,000 over the next accounting period.

Defined contribution plans

The company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £2,445,000 (2020: £1,223,000).

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Compagnie de Saint-Gobain stock option plans

Compagnie de Saint-Gobain has stock option and performance share plans available to certain employees of Saint-Gobain Limited. Under the stock option plans, the Board of Directors of Compagnie de Saint-Gobain may grant options which entitle the holder to obtain Saint-Gobain shares either at nil cost or at a price based on the average share price for the 20 trading days preceding the date of decision by the Board of Directors. Options are equity settled and vest over a period of four years with full vesting occurring at the end of the vesting period. Options must be exercised within ten years from the date of the grant.

The performance share plans are subject to service and performance conditions. The fair value is based on the Saint-Gobain share price on the grant date less the value of dividends not payable during the vesting period and a discount on restricted stock, calculated in a similar manner as for the Group Savings Plan.

All rights to options and performance shares are forfeited if the employee terminates employment with the Group, unless expressly agreed otherwise by the Chairman of Compagnie de Saint-Gobain together with the Appointments Committee of the Board of Directors.

The stock options outstanding at 31 December 2021 were:

	€4 par value shares	Average exercise price (in Euros)
Options outstanding at 31 December 2020	64,683	5.70
Options outstanding at 31 December 2021	70,073	5.26

The income relating to stock options recorded in the profit and loss account amounted to £83,000 in 2021 (2020: expense £216,000).

The average share price of Compagnie de Saint-Gobain in 2021 was €55.00 (2020: €32.64).

The options outstanding at the year end have an exercise price in the range of €nil to €49.38 and a weighted average contractual life of 3 years.

21. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The ultimate and controlling party is Compagnie de Saint-Gobain, which is incorporated in France and listed on the Paris, London, Frankfurt and other major European stock exchanges.

The largest group in which the results of the company are consolidated is that headed by Compagnie de Saint-Gobain. No other group financial statements include the results of the company.

Copies of the Compagnie de Saint-Gobain group financial statements may be obtained from the Corporate Secretary at the company's registered address, Tour Saint-Gobain, 12 Place de l'Iris, 92400 Courbevoie, France.

22. ACCOUNTING ESTIMATES AND JUDGEMENTS

The carrying amounts of the company's investments are reviewed at each balance sheet date. In testing for impairment, management have made certain assumptions concerning the future development of the underlying business that are consistent with the long range plan for each entity. The future cash flows have been discounted to provide a net present value for the businesses based on rates between 6.85% and 8.5%

Employee benefits
The company participates in four sections of a defined benefit pension scheme in the UK. The company's share of the obligation in respect of the defined benefit plan is calculated by independent, qualified actuaries and updated at least annually. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price and medical costs inflation, benefit and salary increases together with the discount rate used. The size of the plan assets is also sensitive to asset return levels and the level of contribution from the company. These assumptions have been set out in note 20. The company has made a judgement that the actuarial surplus will be recoverable.

22. ACCOUNTING ESTIMATES AND JUDGEMENTS - continued

During the year the methodology for calculating the discount rate for the defined benefit obligation has changed to use a more relevant corporate bond yield rate. This reduced the liabilities within the pension scheme by £1,493,000. Also in the year, the long-term gap between RPI and CPI has been reduced by 10 basis points to reflect increased clarity on the future of the Retail Price Index. This increased the liabilities within the pension scheme by £222,000.

23. *SECURED CREDITORS*

At 31 December 2021 the company has issued guarantees to the trustees of the Saint-Gobain UK Pension Scheme totalling £235,000,000 (2020: £205,000,000).