

**BPB Investments Overseas Limited**  
**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 31 December 2013**

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**Contents of the Financial Statements  
for the year ended 31 December 2013**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditor to the Members of BPB Investments Overseas Limited</b>	<b>5</b>
<b>Income Statement</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**Company Information  
for the year ended 31 December 2013**

**DIRECTORS:**

E Du Moulin  
B P A Clavel  
A R Oxenham

**SECRETARY:**

A R Oxenham

**REGISTERED OFFICE:**

Saint-Gobain House  
Binley Business Park  
Coventry  
CV3 2TT

**REGISTERED NUMBER:**

04380762 (England and Wales)

**AUDITOR:**

KPMG LLP  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

**Strategic Report  
for the year ended 31 December 2013**

The directors present their strategic report for the year ended 31 December 2013.

**PRINCIPAL ACTIVITY**

The company acts as an investment holding company. Details of its principal investment are provided in note 7.

**REVIEW OF BUSINESS**

The company made a profit after tax of £26,716,000 for year ended 31 December 2013 (year ended 31 December 2012: profit £128,243,000).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company considers risk management to be a very important area and utilises a formalised risk scoring and management process.

**KEY BUSINESS STRATEGIES**

Saint-Gobain, the world leader in sustainable habitat and construction markets, designs, manufactures and distributes building and high-performance materials, providing innovative solutions to the challenges of growth, energy efficiency and environmental protection.

Saint-Gobain is uniquely positioned, with complementary strategic positions in building materials and high-performance materials technologies:

- It is a worldwide or European leader in all of its businesses, with local solutions tailored to the needs of each market.
- It has an unrivalled portfolio of energy efficiency products and solutions.
- With its deep understanding of building professionals' needs, acquired through daily contacts with customers, solutions can be adapted to highly specific customer requirements.
- It has an outstanding potential for innovation, supported by a unique industrial and distribution expertise and a commitment to materials research.
- Its culture of operational excellence gives the Group an underlying robustness and the ability to respond quickly to changes in the economic environment.
- Its solid set of tested values helps the Group to build lasting relations with all stakeholders, from customers and employees to suppliers, subcontractors, shareholders and the community.

The company acts as an investment holding company in support of the Group's objectives.

**OUR VALUES**

The Saint-Gobain Group has developed a number of shared principles applied by both management and employees which have guided the Group's activities over the years. The directors of BPB Investment Overseas Limited have fully embraced and implemented these values as part of the foundation of our business.

General Principles of Conduct

- Professional commitment
- Respect for others
- Integrity
- Loyalty
- Solidarity

Principles of Action

- Respect for the law
- Caring for the environment
- Worker health and safety
- Employee rights

**Strategic Report (continued)**  
**for the year ended 31 December 2013**

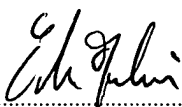
**FINANCIAL INSTRUMENTS**

All financing balances are intercompany in nature and there were no financial instruments traded during the year.

**KEY PERFORMANCE INDICATORS**

The company reviews its performance by using a number of financial and non-financial Key Performance Indicators (KPIs), the most important KPIs are detailed below:

	2013 £'000	2012 £'000
Profit for the year	26,716	128,243
Net assets	151,025	177,977

**ON BEHALF OF THE BOARD:**

.....  
E Du Moulin - Director

**Report of the Directors  
for the year ended 31 December 2013**

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

**DIVIDENDS**

The company paid interim dividends of £53,668,000 on 22 May 2013 (2012: interim dividends £49,916,000 on 23 May 2012 and further dividends of £74,574,318 on 29 November 2012). The directors did not recommend the payment of a final dividend for the year ended 31 December 2013 (year ended 31 December 2012: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

E Du Moulin  
B P A Clavel  
A R Oxenham

**FINANCIAL INSTRUMENTS**

All financing balances are intercompany in nature and there were no financial instruments traded during the year.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditor is 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 auditor is aware of that information.

**AUDITOR**

KPMG Audit Plc resigned as auditor on 31 January 2014. On 31 January 2014 the Directors appointed KPMG LLP as auditor of the company to fill the vacancy. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**ON BEHALF OF THE BOARD:**

  
.....  
E Du Moulin - Director

Date: 29 September 2014

**Report of the Independent Auditor to the Members of  
BPB Investments Overseas Limited**

We have audited the financial statements of BPB Investments Overseas Limited for the year ended 31 December 2013 on pages six to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Wayne Cox*

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

Date: *29 September 2014*

**Income Statement**  
**for the year ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
<b>CONTINUING OPERATIONS</b>			
Revenue		-	-
Finance costs	3	(7)	-
Finance income	3	<u>26,721</u>	<u>128,243</u>
<b>PROFIT BEFORE INCOME TAX</b>		<b>26,714</b>	<b>128,243</b>
Income tax	4	<u>2</u>	<u>-</u>
<b>PROFIT FOR THE YEAR</b>		<b><u>26,716</u></b>	<b><u>128,243</u></b>

The notes on pages 11 to 15 form an integral part of these financial statements



**Statement of Comprehensive Income  
for the year ended 31 December 2013**

	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>PROFIT FOR THE YEAR</b>	<b>26,716</b>	<b>128,243</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>26,716</u></b>	<b><u>128,243</u></b>

**Balance Sheet**  
**31 December 2013**

	Notes	2013 £'000	2012 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments	7	<u>1,221,208</u>	<u>1,221,208</u>
<b>CURRENT ASSETS</b>			
Tax receivable		<u>2</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><b>1,221,210</b></u>	<u><b>1,221,208</b></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	8	124,309	124,309
Retained earnings	9	<u>26,716</u>	<u>53,668</u>
<b>TOTAL EQUITY</b>		<u><b>151,025</b></u>	<u><b>177,977</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<u>1,070,185</u>	<u>1,043,231</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,070,185</b></u>	<u><b>1,043,231</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,221,210</b></u>	<u><b>1,221,208</b></u>

The financial statements were approved by the Board of Directors on 29 September 2014 and were signed on its behalf by:



.....  
E Du Moulin - Director

**Statement of Changes in Equity  
for the year ended 31 December 2013**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2012</b>	124,309	49,915	174,224
<b>Changes in equity</b>			
Dividends	-	(124,490)	(124,490)
Total comprehensive income	-	128,243	128,243
<b>Balance at 31 December 2012</b>	<u>124,309</u>	<u>53,668</u>	<u>177,977</u>
<b>Changes in equity</b>			
Dividends	-	(53,668)	(53,668)
Total comprehensive income	-	26,716	26,716
<b>Balance at 31 December 2013</b>	<u>124,309</u>	<u>26,716</u>	<u>151,025</u>

**Cash Flow Statement**  
**for the year ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	26,954	-
Interest paid		<u>(7)</u>	<u>-</u>
Net cash from operating activities		<u>26,947</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Dividends received		<u>26,721</u>	<u>128,243</u>
Net cash from investing activities		<u>26,721</u>	<u>128,243</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(53,668)	(124,490)
Decrease in trade and other payables		<u>-</u>	<u>(3,753)</u>
Net cash from financing activities		<u>(53,668)</u>	<u>(128,243)</u>
		<u>-</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>		-	-
<b>Cash and cash equivalents at beginning of year</b>		<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 11 to 15 form an integral part of these financial statements

**Notes to the Financial Statements  
for the year ended 31 December 2013**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

BPB Investments Overseas Limited (the "company") is a company incorporated in England and Wales.

The company is exempt by virtue of s400 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.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs).

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

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 16.

**Measurement convention**

The financial statements are prepared on the historical cost basis.

The financial statements have also been prepared on a going concern basis. The company is dependent on continuing finance being made available by its shareholders to enable it to continue trading and meet its liabilities as they fall due. The shareholders have agreed to provide sufficient funds for the company for these purposes. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

**Investments in debt and equity securities**

Investments in associates and subsidiaries are carried at cost less impairment

**Taxation**

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement 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 years.

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 or taxable profit except 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 currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Financing income and expenses**

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 income statement on the date the entity's right to receive payments is established.

**Notes to the Financial Statements - continued  
for the year ended 31 December 2013**

**1. ACCOUNTING POLICIES - continued**

**Impairment**

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company makes an estimate of the asset's recoverable amount. The asset's recoverable amount is the higher of the fair value, less costs to sell, and its value in use. For the assets of the company, which consist of investments in subsidiaries and loans to other group companies, these values are determined on a company by company basis. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. 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 risks specific to that asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

**Dividends**

Dividend income is recognised in the income statement on the date the company's right to receive payments is established. Dividend payable is recognised on the date the company's board of directors approve payment.

**Adopted IFRSs not yet applied**

There were no Adopted IFRSs which have been issued but not applied in these financial statements which are expected to have a material effect on the financial statements apart from disclosure.

**2. EMPLOYEES AND DIRECTORS**

There were no employees of BPB Investments Overseas Limited in the year (year ended 31 December 2012: nil).

**Directors' remuneration**

The directors of the company are also directors of several other companies within the Saint-Gobain Group, and their emoluments are borne by these other companies. They do not consider that their duties in respect of the company take up a significant proportion of their time. No directors receive any emoluments from the company, nor are they members of any pension scheme in which the company has an interest. Accordingly, the directors do not believe that it is practicable to apportion the amount of their remuneration between their services as directors of the company and their services to other companies in the group.

**3. NET FINANCE INCOME**

	2013 £'000	2012 £'000
Finance income:		
Dividends received from subsidiaries	<u>26,721</u>	<u>128,243</u>
Finance costs:		
Group interest payable	<u>(7)</u>	<u>-</u>
Net finance income	<u>26,714</u>	<u>128,243</u>

**4. INCOME TAX**

**Analysis of tax income**

	2013 £'000	2012 £'000
Current tax:		
Tax	<u>(2)</u>	<u>-</u>
Total tax income in income statement	<u>(2)</u>	<u>-</u>

**Notes to the Financial Statements - continued  
for the year ended 31 December 2013**

**4. INCOME TAX - continued**

**Factors affecting the tax expense**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before income tax	<u>26,714</u>	<u>128,243</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.250% (2012 - 24.500%)	6,211	31,420
Effects of: Non taxable dividend income	<u>(6,213)</u>	<u>(31,420)</u>
Tax income	<u>(2)</u>	<u>-</u>

**Factors that may affect future tax charges**

The UK government has announced that corporation tax rates will fall to 20% by April 2014. The company has no deferred tax balance to affect and because the company's main sources of income are expected to continue to be exempt from tax, this is not expected to have a material impact on the company's profitability.

**5. DIVIDENDS**

	2013 £'000	2012 £'000
Ordinary shares of £1 each Interim	<u>53,668</u>	<u>124,490</u>

An interim dividend of 43.173p per share was declared and paid on 22 May 2013 (40.155p per share and 59.990p per share declared and paid on 23 May 2012 and 29 November 2012 respectively).

**6. AUDITOR'S REMUNERATION**

Auditor's remuneration has been recorded within the financial statements of BPB Limited, an intermediate parent company.

**7. INVESTMENTS**

	Shares in group undertakings £'000
<b>COST</b>	
At 1 January 2013 and 31 December 2013	<u>1,221,208</u>
<b>NET BOOK VALUE</b>	
At 31 December 2013	<u>1,221,208</u>
	Shares in group undertakings £'000
<b>COST</b>	
At 1 January 2012 and 31 December 2012	<u>1,221,208</u>
<b>NET BOOK VALUE</b>	
At 31 December 2012	<u>1,221,208</u>

**Notes to the Financial Statements - continued  
for the year ended 31 December 2013**

**7. INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of companies include the following:

**Commatone Limited**

Country of incorporation: England and Wales

Nature of business: Investment holding company

Class of shares:	% holding
Investment holding company	100.00

**8. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2013 £'000 <u>124,309</u>	2012 £'000 <u>124,309</u>
124,309,492	Ordinary			

**9. RESERVES**

	Retained earnings £'000
At 1 January 2013	53,668
Profit for the year	26,716
Dividends	<u>(53,668)</u>
At 31 December 2013	<u>26,716</u>
	Retained earnings £'000
At 1 January 2012	49,915
Profit for the year	128,243
Dividends	<u>(124,490)</u>
At 31 December 2012	<u>53,668</u>

**10. TRADE AND OTHER PAYABLES**

	2013 £'000	2012 £'000
Current:		
Amounts due to group companies: intermediate parent company	207,726	180,772
Amounts due to group companies: subsidiary company	<u>862,459</u>	<u>862,459</u>
	<u>1,070,185</u>	<u>1,043,231</u>

**11. FINANCIAL INSTRUMENTS**

The company's exposure to credit risk is explained in note 12.

For future periods, it is expected that the company will continue to hold loans that are not interest-bearing and which are denominated in sterling, so there is no other risk relating to financial instruments.



**Notes to the Financial Statements - continued  
for the year ended 31 December 2013**

**12. RELATED PARTY DISCLOSURES**

The immediate parent and ultimate controlling party respectively of the company are BPB Group Operations Limited (incorporated in England and Wales) and Compagnie de Saint-Gobain (incorporated in France). Details of transactions between the company and related parties are disclosed below.

	Amounts owed to related parties	
	2013	2012
	£'000	£'000
Subsidiaries of Compagnie de Saint-Gobain:		
Intermediate parent company	207,726	180,772
Subsidiary company	862,459	862,459
	<u>1,070,185</u>	<u>1,043,231</u>

During the year the company received dividends of £26,721,000 on 22 May 2013 (2012: £53,669,000 on 23 May 2012, and £74,574,318 on 29 November 2012) from Commatone Limited. During the year the company paid dividends of £53,668,000 on 22 May 2013 (2012: £49,916,000 on 23 May 2012 and £74,574,318 on 29 November 2012) to BPB Group Operations Limited, the company's sole shareholder.

**13. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2013	2012
	£'000	£'000
Profit before income tax	26,714	128,243
Finance costs	7	-
Finance income	(26,721)	(128,243)
	<u>26,954</u>	<u>-</u>
Increase in trade and other payables	<u>26,954</u>	<u>-</u>
Cash generated from operations	<u>26,954</u>	<u>-</u>

**14. MAJOR NON-CASH TRANSACTIONS**

The company is funded by loan accounts with other group companies, who make cash transactions on its behalf.

**15. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP**

The ultimate and controlling party parent company 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 Company Secretary, Les Miroirs, 18 Avenue d'Alsace, 92096 Paris La Defense, France.

**16. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The carrying amount of the company's investments are reviewed at each balance sheet date. In testing for impairment, management have considered the net assets and future prospects of the subsidiaries.

The amounts due from other group companies are reviewed at each balance sheet date. In testing for impairment, management have reviewed the underlying credit-worthiness of each company and are satisfied that, if agreed at group level, all balances could be repaid on demand.