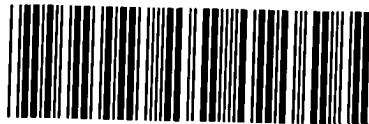


REGISTERED NUMBER: 05466943 (England and Wales)

BPB Group Finance Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2018

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for the year ended 31 December 2018**

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**Company Information
for the year ended 31 December 2018**

DIRECTORS:

N J Cammack
M S Chaldecott

SECRETARY:

A R Oxenham

REGISTERED OFFICE:

Saint-Gobain House
Binley Business Park
Coventry
CV3 2TT

REGISTERED NUMBER:

05466943 (England and Wales)

AUDITORS:

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

**Strategic Report
for the year ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The company made a profit after tax of £563,255,000 for the year ended 31 December 2018 (year ended 31 December 2017: profit £94,719,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The company considers risk management to be a very important area and it participates fully in the Group's 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 Group Finance 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

FINANCIAL INSTRUMENTS

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

**Strategic Report
for the year ended 31 December 2018**

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:

	2018 £'000	2017 £'000
Profit for the year	563,255	94,719
Net assets	2,333,059	2,239,023

ON BEHALF OF THE BOARD:



.....
N J Cammack - Director

Date: 26 July 2019
.....

**Report of the Directors
for the year ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIVIDENDS

In 2018 the company declared and paid interim dividends of £94,719,000 and £374,500,000 on 24 May 2018 and 20 December 2018 respectively. (In 2017 an interim dividend of £66,976,000 was declared and paid on 23 May 2017). The directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: £nil).

DIRECTORS

The directors who have held office during the period from 1 January 2018 to the date of this report are as follows:

S Héraud - resigned 31 December 2018

N J Cammack - appointed 31 December 2018

M S Chaldecott was appointed as a director after 31 December 2018 but prior to the date of this report.

A R Oxenham , C Tardy and B P A Clavel ceased to be directors after 31 December 2018 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 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 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 office.

ON BEHALF OF THE BOARD:



.....
N J Cammack - Director

Date: 26 July 2019

Independent Auditor's Report to the Members of BPB Group Finance Limited

Opinion

We have audited the financial statements of BPB Group Finance Limited (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation

Strategic report and directors' report

The directors are 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.

**Independent Auditor's Report to the Members of
BPB Group Finance Limited**

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 4, 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.

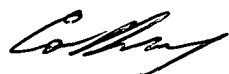
Auditor's responsibilities

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.



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

Date: 26/7/19

**Profit and Loss Account
for the year ended 31 December 2018**

	Notes	2018 £'000	2017 £'000
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT		<u>-</u>	<u>-</u>
Income from shares in group undertakings		<u>563,255</u>	<u>94,719</u>
PROFIT BEFORE TAXATION	4	563,255	94,719
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>563,255</u>	<u>94,719</u>

**Other Comprehensive Income
for the year ended 31 December 2018**

	2018 £'000	2017 £'000
PROFIT FOR THE YEAR	563,255	94,719
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>563,255</u>	<u>94,719</u>

Balance Sheet
31 December 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	7	2,523,906	2,523,906
CREDITORS			
Amounts falling due within one year	8	<u>(1)</u>	<u>-</u>
NET CURRENT LIABILITIES		<u>(1)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,523,905	2,523,906
CREDITORS			
Amounts falling due after more than one year	9	<u>(190,846)</u>	<u>(284,883)</u>
NET ASSETS		<u>2,333,059</u>	<u>2,239,023</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,060,701	1,060,701
Retained earnings	11	<u>1,272,358</u>	<u>1,178,322</u>
SHAREHOLDERS' FUNDS		<u>2,333,059</u>	<u>2,239,023</u>

The financial statements were approved by the Board of Directors on 26 July 2019 and were signed on its behalf by:



.....
N J Cammack - Director

**Statement of Changes in Equity
for the year ended 31 December 2018**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017	1,060,701	1,150,579	2,211,280
Total comprehensive income			
Profit for the year	-	94,719	94,719
Transactions with shareholders recorded directly in equity			
Dividends	-	(66,976)	(66,976)
Balance at 31 December 2017	<u>1,060,701</u>	<u>1,178,322</u>	<u>2,239,023</u>
Total comprehensive income			
Profit for the year	-	563,255	563,255
Transactions with shareholders recorded directly in equity			
Dividends	-	(469,219)	(469,219)
Balance at 31 December 2018	<u>1,060,701</u>	<u>1,272,358</u>	<u>2,333,059</u>

**Notes to the Financial Statements
for the year ended 31 December 2018**

1. STATUTORY INFORMATION

BPB Group Finance Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

BPB Group Finance Limited (the "company") is a company incorporated in England and Wales.

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

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements as the results of its operations are consolidated with those of its ultimate parent undertaking, Compagnie de Saint-Gobain. 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 Financial Reporting Standards as adopted by the EU ("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 Disclosures in respect of transactions with wholly owned subsidiaries;
- o The effects of new but not yet effective IFRSs;
- o Disclosures in respect of the compensation of Key Management Personnel;
- o Comparative period reconciliations for tangible and intangible assets.

As the consolidated financial statements of Compagnie de Saint-Gobain (the company's ultimate parent company) 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.

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

- Annual Improvements to IFRS Standards 2014-16 Cycle
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40: Transfers of Investment Property
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions Contracts.
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts.
- IFRS 15: Revenue from Contract with Customers

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 13.

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 a continued profitability. In their judgement, the going concern basis is appropriate, and the accounts have been presented on that basis.

Investments in debt and equity securities

Investments in associates and subsidiaries are carried at cost less impairment

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

2. ACCOUNTING POLICIES - continued

Financial instruments (policy applicable from 1 January 2018) - continued

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.

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.

Taxation

Tax on the profit or loss for the year 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 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

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.

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 profit and loss account on the date the entity's right to receive payments is established.

Notes to the Financial Statements - continued
for the year ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Impairment

The carrying amounts of the company's 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.

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 the company's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and 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.

Dividends

Dividend payable is recognised on the date the entity's board of directors approve payment.

3. EMPLOYEES AND DIRECTORS

There were no employees of BPB Group Finance Limited in the year (2017 - nil).

None of the directors received any remuneration from the company. They are regarded as group employees and are each paid by one of the company's intermediate parent undertakings. Their services to the company are incidental to their group role.

4. PROFIT BEFORE TAXATION

AUDITORS REMUNERATION

Auditors' remuneration of £2,500 (2017: £2,400) has been recorded within the financial statements of BPB Limited, an intermediate parent undertaking.

Notes to the Financial Statements - continued
for the year ended 31 December 2018

5. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2018 nor for the year ended 31 December 2017.

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:

	2018 £'000	2017 £'000
Profit before income tax	<u>563,255</u>	<u>94,719</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	107,018	18,233
Effects of:		
Non-taxable dividend income	(107,018)	(18,233)
Tax expense	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Reduction in the UK corporate tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. 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.

6. DIVIDENDS

	2018 £'000	2017 £'000
Interim	<u>469,219</u>	<u>66,976</u>

An interim dividend of 8.93p per share was declared and paid on 24 May 2018, another interim dividend of 35.307p per share was declared and paid on 20 December 2018. (6.31p per share was declared and paid on 23 May 2017).

7. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2018 and 31 December 2018	<u>2,523,906</u>
NET BOOK VALUE	
At 31 December 2018	<u>2,523,906</u>
	Shares in group undertakings £'000
COST	
At 1 January 2017 and 31 December 2017	<u>2,523,906</u>
NET BOOK VALUE	
At 31 December 2017	<u>2,523,906</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2018

7. INVESTMENTS - continued

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

	Registered Office	Ownership of shares and voting rights	
	see key below	2018	2017
BPB Finance (No.4) Limited	1	100.00%	100.00%
Saint-Gobain Denmark A/S	35	37.75%	37.75%
LECA Danmark A/S	35	37.75%	37.75%
BPB Group Operations Limited	1	100.00%	100.00%
BPB Finance (No.2) Limited	1	100.00%	100.00%
BPB Investments Limited (Dissolved April'18)	1	-	100.00%
BPB Investments Overseas Limited	1	100.00%	100.00%
Commatone Limited	1	100.00%	100.00%
BPB Asia Limited	3	95.87%	95.00%
BPB Gyproc (Shanghai) Management Co Limited	28	100.00%	100.00%
BPB Luxembourg SA (merged with BPB Valmarand SA Oct'18)	6	-	100.00%
BPB Gypsum BV	7	100.00%	100.00%
Allied Manufacturing Industries (Private) Limited	21	100.00%	100.00%
Allied Industrial Investments (Private) Limited	22	100.00%	100.00%
Saint-Gobain Construction Products Zimbabwe (Pve Limited	61	100.00%	-
BPB Asia Pte Ltd	16	100.00%	100.00%
Asia Gypsum Company Limited	8	60.00%	60.00%
BPB Finance (No.6)	1	100.00%	100.00%
Tecnokarton GmbH	34	1.74%	29.00%
Tecnokarton GmbH & Co Fabrikation technischen Kartons KG	34	1.74%	29.00%
BPB India Limited	1	100.00%	100.00%
Saint-Gobain India Private Limited	37	22.00%	22.00%
Inversiones BPB Chile Ltda	20	100.00%	100.00%
Inversiones Volcan SA	20	30.17%	28.90%
CIA Industrial El Volcan SA	20	30.17%	28.90%
Placo Do Brasil Ltda	18	68.58%	68.00%
Thai Gypsum Products PLC	13	83.48%	83.00%
Saint-Gobain Sekurit (Thailand)	13	66.60%	66.60%
PT central Saint-Gobain Sekurit	13	31.20%	31.20%
PT Saint-Gobain Sekurit Indonesia	13	63.30%	63.27%
Simpamax Limited	1	-	100.00%
BPB Valmarand SA	6	100.00%	100.00%
CertainTeed Gypsum Canada Inc.(sold Dec'18)	9	-	100.00%
New West Gypsum Recycling (BC) Inc.	15	40.00%	40.00%
Saint-Gobain Construction Products South Africa (Pty) Limited	27	-	100.00%
BPB Gypsum Ltda	5	100.00%	99.67%
Donn South Africa (Pty) Ltd	27	100.00%	66.67%
Donn Products (Pty) Ltd	27	100.00%	66.67%
Liskey (Pty) Ltd	27	100.00%	66.67%
Gypsum Industries (Pty) Ltd	27	100.00%	100.00%
SAGEX	27	100.00%	100.00%
Saint-Gobain Isover South Africa (Pty) Limited	27	100.00%	100.00%
Saint-Gobain Mining (Pty) Ltd	27	100.00%	100.00%
Saint-Gobain Weber South Africa (Pty) Ltd	27	100.00%	100.00%
Selcotrade 35 (Pty) Limited	27	100.00%	100.00%
Spunbond Insulation (Pty) Ltd	27	100.00%	100.00%
Swys Tile Adhesive Chemicals (Pty) Ltd	27	-	100.00%
Yesos Maria Morales SA	4	100.00%	100.00%
Saint-Gobain Consturction Products Zimbabwe (PVT) Ltd	21	100.00%	100.00%
Saint-Gobain Gypsum (Shanghai) Co. Ltd	28	85.49%	85.49%
Placo Argentina SA	28	68.58%	68.58%

Notes to the Financial Statements - continued
for the year ended 31 December 2018

7. INVESTMENTS - continued

Saint-Gobain Construrction Products Zimbabwe (PVT) Ltd	21	100.00%	100.00%
Saint-Gobain Gyproc Middle East FZE	30	100.00%	100.00%
Saint-Gobain Construction Products Belgium	1	100.00%	100.00%
Saint-Gobain Gyproc Emirates Industries LLC	32	49.00%	49.00%
Saint-Gobain Al Rafah LLC	33	70.00%	70.00%
Saint-Gobain Gypsum (Chang Zhou) Co Limited	2	100.00%	100.00%
Eurogypts Limited (dissolved Apr'18)	1	-	100.00%
Greenberg Glass Limited (dissolved Apr'18)	1	-	100.00%
Gypsum Investments Limited	1	100.00%	100.00%
Protenna AB	1	25.00%	25.00%
Skiptex Limited	1	100.00%	100.00%
Saint-Gobain Construction Products (Ireland) Limited	1	100.00%	100.00%
Moy-Isover Limited	11	100.00%	100.00%
Saint-Gobain Mining (Ireland) Limited	11	100.00%	100.00%
Saint-Gobain Performance Plastics Ireland	26	100.00%	100.00%
Radcliffe Paper Tubes Limited	1	100.00%	100.00%
Saint-Gobain Construction Products UK Limited	1	100.00%	100.00%
Artex Limited	1	100.00%	100.00%
BPB Paperboard Limited	10	100.00%	100.00%
British Gypsum-Isover Limited (dissolved Apr'18)	19	-	100.00%
Celotex Limited	1	100.00%	100.00%
Saint-Gobain Isover UK Limited	1	100.00%	100.00%
Saint-Gobain PAM UK Limited	1	100.00%	100.00%
Transportes Yeso LTDA	1	30.00%	-
BCC Industries (UK) Limited	1	100.00%	100.00%
STAC – SWYS Tile Adhesive CY	1	100.00%	-
Stanton Limited (In MVL)	19	100.00%	100.00%
Saint-Gobain Weber Limited	1	100.00%	100.00%
Radcliffe Paper Mill Company Limited (The)	19	100.00%	100.00%
Nutbrook Canal Navigation	1	100.00%	100.00%
Thaigips Holdings Limited	13	100.00%	100.00%
Gypsum Metropolitan Company Limited	3	44.54%	44.54%
Chambers Packaging Limited	1	100.00%	-

† Direct holding

Registered office address key:

- 1 - Saint-Gobain House, Binley Business Park, Coventry, CV3 2TT
- 2 - No. 25, TongJiang North Road, ChunJiang Town, XinBei District, Changzhou, China
- 3 - 12th Floor, Gypsum Metropolitan Tower, 539/2 Si Ayutthaya Road, Rajathewee, 10400 Bangkok, Thailand
- 4 - 132 Principe De Vergara, 28002, Madrid, Spain
- 5 - 1839 FPLM Avenue, City of Maputo, Mozambique
- 6 - 190 Boulevard J.F. Kennedy, Bascharge, L-4930, Luxembourg
- 7 - 20 Parallelweg, Etten-Leur, 4878AH, Netherlands
- 8 - 21/f Far East Finance Centre, 16 Harcourt Road, Hong Kong, Hong Kong
- 9 - 2424 Lakeshore Road West, Mississauga, ON L5J 1K4, Canada
- 10 - 300 Crownpoint Road, Glasgow, West Central Lowlands, G40 2UJ
- 11 - 4 Kilcarbery Business Park, Nangor Road, Clondalkin, DUBLIN 22 Ireland
- 12 - 40 Brivibas Street, 2nd Floor, Riga LV-1-5- Latvia
- 13 - 539/2 Sri Ayudhya Road, Rajathewee District, Bangkok, 10400
- 14 - 556, Lavalle, Piso 3 E, Buenos Aires, Argentina
- 15 - 700 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, Canada
- 16 - 79 Robinson Road, #24-08, CPF Building, Singapour, 068897, Singapore
- 17 - 83 Daugavgrivas str., Riga LV-1007, Latvia
- 18 - AV. Valentina Mello Freire Borenstein, Dona Loloya 333, Jardim SAO Francisco, 08735-270, Mogi Daz Cruzes, Sao Paulo SP, Brazil
- 19 - C/O MAZARS LLP, Tower Bridge House, St Katharines Way, London, United Kingdom, E1W 1DD
- 20 - C/O Carey Y Cia Ltda, Miraflores 222, Piso 24, Santiago, Chile
- 21 - C/O Ernst & Young, 2 eme etage, Manica Chambers, Herbert Chitepo Street, Mutare, Zimbabwe
- 22 - Delport Road, Cleveland Park, Msasa, Harare, Zimbabwe
- 23 - Hareskovvej 12, 4400 Kalundborg, Denmark
- 24 - Jauniela 24, Riga LV-1050, Latvia
- 25 - Kalmarleden, Box 153, S--746 24, Balsa, Sweden
- 26 - Kilrush Industrial Park, Kilrush, County Clare, Ireland
- 27 - No 1 Shale Road, N1 Business Park, CNR Old Johannesburg & Tlokwe Roads, Kosmosdal Ext 7, Samrand 0157, South Africa

Notes to the Financial Statements - continued
for the year ended 31 December 2018

7. INVESTMENTS - continued

- 28 - No.968 WangQiao Road, Pudong New District, Shanghai, China
 29 - Parnu Mnt. 139, 11317 Tallinn, Estonia
 30 - PO Box 26110, Jebel Ali Free Zone, Dubai United Arab Emirates
 31 - PO Box 341, 108 Champlain Drive, St. Stephen NB E2B 2X2, Canada
 32 - PO Box 38983, Abu Dhabi, United Arab Emirates
 33 - PO BOX 6 Postal Code 222, Raoyah, Thumrait Sultanate of Oman
 34 - Polcher Strasse 113, D-56727, Mayen, Germany
 35 - Robert Jacobsens Vej 62A, 2300, Copenhagen S, Denmark
 36 - Schanzenstrasse 84, 40549 Dusseldorf, Germany
 37 - Sigapi Aachi Building, Floor No.7, 18/3, Rukmini Lakshmiipathy Road, Egmore, Chennai, Tamil Nadu, 600008, India
 38 - Unterkainisch 24, A-8990, Bad Aussee, Austria
 39 - C/o Carey Y Cia Ltda, Miraflores 222, Piso 24, Santiago, Chile
 40 - Agustinas 1357, 10 Piso, SANTIAGO, Chile
 41 - CALLE 3 #3-49 ESTE, MOSQUERA, CUDINAMARCA, Colombia
 42 - CALLE NORTE, LOCAL FIBRAS, FIVENGLASS, ZONA INDUSTRIAL SOCO, LA VICTORIA, Venezuela
 43 - c/o Heibelberg Cement Sweden AB, Box 47055, 10074, STOCKHOLM, Sweden
 44 - Kawasan Industri MM2100, JI ARU BLOK AE8, Kel. Jatiwangi, Kec, Cikarang Barat, Kabupaten, Bekasi, Jawa Barat, Indonesia
 45 - ALAMANDA TOWER, Jl. TB. Simatupang Kav. 23-24, 20th Floor, Cilandak Barat, Jakarta, 12430, Indonesia
 46 - 2 Eglin Road, Sunninghill, Gauteng, 2157, South Africa
 47 - 9, SINT JANSWEG, HAVEN 160, B-9130 BEVEREN-KALLO, Belgium
 48 - 968 Wang Qiao Road Wang Qiao, Industrial Zone Pu-Dong New Area, SHANGAI, 201201, China
 50 - Santiago, Chile
 51 - 40-50 Windmill Street, Gravesend, Kent, DA12 1BG, Royaume-Uni
 52 - Lows Lane, Stanton-by-Dale, Ilkeston, Derbyshire, DE7 4QU, United Kingdom
 53 - Suite 125, 90 kingbolt Creescent Wapadrand, PRETORIA 0050, South Africa
 54 - 18 Skeen Boulevard, Bedfordview, Johannesburg, 2007, South Africa
 55 - KUTZHUETTE, 37445, WALKENRIED, Germany
 56 - SCHANZENSTRASSE 84, 40549, DÜSSELDORF, Germany
 57 - POLCHER STRASSE 113, D-56727 MAYEN, Germany
 58 - Registered Office DELPORT ROAD, CLEVELAND PARK, MSASA, HARARE, Zimbabwe
 59 - Randersvej 75, 8940, Randers SV, Denmark

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	<u>1</u>	<u>-</u>

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

	2018 £'000	2017 £'000
Amounts owed to group undertakings	<u>190,846</u>	<u>284,883</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £'000	2017 £'000
1,060,700,760	Ordinary	£1	<u>1,060,701</u>	<u>1,060,701</u>

11. RESERVES

	Retained earnings £'000
At 1 January 2018	1,178,322
Profit for the year	563,255
Dividends	<u>(469,219)</u>
At 31 December 2018	<u>1,272,358</u>

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

11. RESERVES - continued

	Retained earnings £'000
At 1 January 2017	1,150,579
Profit for the year	94,719
Dividends	<u>(66,976)</u>
At 31 December 2017	<u>1,178,322</u>

12. 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, incorporated in France. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards. 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, Les Miroirs, 18 Avenue d'Alsace, 92096 Paris La Defense, France.

13. ACCOUNTING ESTIMATES AND JUDGEMENTS

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