

**Report of the Directors and
Financial Statements for the year ended 31 December 2009
for
BPB Group Finance Limited**

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for the year ended 31 December 2009

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Company Information
for the year ended 31 December 2009

DIRECTORS:	E Chartier T Lambert A R Oxenham C Tardy
SECRETARY:	A R Oxenham
REGISTERED OFFICE:	Saint-Gobain House Binley Business Park Coventry CV3 2TT
REGISTERED NUMBER:	5466943 (England and Wales)
AUDITORS:	KPMG Audit Plc St Nicholas House Park Row Nottingham NG1 6FQ

**Report of the Directors
for the year ended 31 December 2009**

The directors present their report with the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The company acts as an investment holding company. Details of its principal investment are provided in note 6

REVIEW OF BUSINESS

The company made a profit after tax of £88,303,000 for the year ended 31 December 2009 (year ended 31 December 2008 profit £93,506,000)

DIVIDENDS

The company paid interim dividends of £89,053,000 on 20 May 2009. The directors do not recommend the payment of a final dividend for the year ended 31 December 2009 (2008 - nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report.

E Chartier
A R Oxenham

Other changes in directors holding office are as follows

J Clavel - resigned 17 March 2009
C Imauven - resigned 23 March 2009
T Lambert - appointed 24 February 2009
R Lazard - resigned 24 February 2009
C Tardy - appointed 17 March 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in 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 IFRS,
- 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

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

Report of the Directors
for the year ended 31 December 2009

AUDITORS

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

BY ORDER OF THE BOARD:



A R Oxenham - Secretary

Date 23 August 2010



Independent auditors' report to the members of BPB Group Finance Limited

We have audited the financial statements of BPB Group Finance Limited for the year ended 31 December 2009 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its profit for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

23 August 2010

Income Statement
for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
CONTINUING OPERATIONS			
Revenue		-	-
Finance income	3	<u>88,303</u>	<u>93,506</u>
PROFIT BEFORE INCOME TAX		88,303	93,506
Income tax	4	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>88,303</u>	<u>93,506</u>

The notes form part of these financial statements

Statement of Comprehensive Income
for the year ended 31 December 2009

	2009 £'000	2008 £'000
PROFIT FOR THE YEAR	88,303	93,506
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>88,303</u>	<u>93,506</u>

BPB Group Finance Limited (Registered number: 5466943)

Balance Sheet
31 December 2009

	Notes	2009 £'000	2008 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	6	<u>2,523,906</u>	<u>2,523,906</u>
TOTAL ASSETS		<u>2,523,906</u>	<u>2,523,906</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	9	<u>306,885</u>	<u>306,135</u>
TOTAL LIABILITIES		<u>306,885</u>	<u>306,135</u>
NET ASSETS		<u>2,217,021</u>	<u>2,217,771</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	7	1,060,701	1,060,701
Other reserves	8	440,773	529,826
Retained earnings	8	<u>715,547</u>	<u>627,244</u>
TOTAL EQUITY		<u>2,217,021</u>	<u>2,217,771</u>

The financial statements were approved by the Board of Directors on 23 August 2010 and were signed on its behalf by

x 
T Lambert - Director

Statement of Changes in Equity
for the year ended 31 December 2009

	Called up share capital £'000	Profit and loss account £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2008	1,060,701	533,738	623,332	2,217,771
Changes in equity				
Dividends	-	-	(93,506)	(93,506)
Total comprehensive income	-	93,506	-	93,506
Balance at 31 December 2008	<u>1,060,701</u>	<u>627,244</u>	<u>529,826</u>	<u>2,217,771</u>
Changes in equity				
Dividends	-	-	(89,053)	(89,053)
Total comprehensive income	-	88,303	-	88,303
Balance at 31 December 2009	<u>1,060,701</u>	<u>715,547</u>	<u>440,773</u>	<u>2,217,021</u>

Statement of Cash Flows
for the year ended 31 December 2009

		2009 £'000	2008 £'000
Cash flows from operating activities			
Cash generated from operations	12	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Dividends received		<u>88,303</u>	<u>93,506</u>
Net cash from investing activities		<u>88,303</u>	<u>93,506</u>
Cash flows from financing activities			
Equity dividends paid		(89,053)	(93,506)
Increase in amounts owed to group companies		<u>750</u>	<u>-</u>
Net cash from financing activities		<u>(88,303)</u>	<u>(93,506)</u>
		<u>-</u>	<u>-</u>
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year		<u><u>-</u></u>	<u><u>-</u></u>

Notes to the Financial Statements
for the year ended 31 December 2009

1 ACCOUNTING POLICIES

Basis of preparation

The company is incorporated in England and Wales

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

In these financial statements the following Adopted IFRSs which are effective for the first time based on EU effective dates, have had a material effect on the financial statements and so comparatives have been restated accordingly

- Amendments to IAS1 'Presentation of Financial Statements' (disclosure impact only)

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 14

The financial statements have also been prepared on a going concern basis. BPB Group Finance Limited (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 to the company for these purposes. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£000) except when otherwise stated.

Measurement convention

The financial statements are prepared on the historical cost basis.

Exemption from preparing consolidated financial statements

The financial statements contain information about BPB Group Finance Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Compagnie de Saint-Gobain, a company registered in France.

Taxation

Tax on the profit or loss for the year 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 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 income statement.

Finance income and expense

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 2009

1 ACCOUNTING POLICIES - continued

Adopted IFRSs not yet applied

There were no Adopted IFRSs issued but not applied in these financial statements that are expected to have a material effect

2 EMPLOYEES AND DIRECTORS

There were no employees of BPB Group Finance Limited in the year (2008 - 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

3 NET FINANCE INCOME

	2009	2008
	£'000	£'000
Finance income		
Dividend income from subsidiaries	<u>88,303</u>	<u>93,506</u>

4 INCOME TAX

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2009 nor for the year ended 31 December 2008

Factors affecting the tax charge

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

	2009	2008
	£'000	£'000
Profit on ordinary activities before tax	<u>88,303</u>	<u>93,506</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28.500%)	24,725	26,649
Effects of Non-taxable dividend income	<u>(24,725)</u>	<u>(26,649)</u>
Total income tax	<u>-</u>	<u>-</u>

There is no deferred tax (31/12/08 none)

5 DIVIDENDS

	2009	2008
	£'000	£'000
Interim	<u>89,053</u>	<u>93,506</u>

An interim dividend of 8.396p per share was declared and paid on 20 May 2009 (8.815p per share declared and paid on 21 May 2008)

Notes to the Financial Statements - continued
for the year ended 31 December 2009

6 INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2009 and 31 December 2009	<u>2,523,906</u>
NET BOOK VALUE	
At 31 December 2009	<u>2,523,906</u>
At 31 December 2008	<u>2,523,906</u>

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

BPB Group Operations Limited
Nature of business investment holding

Class of shares	%
Ordinary	holding 100 00

7 CALLED UP SHARE CAPITAL

Allotted and issued			
Number	Class	Nominal value £1	2009 £'000 <u>1,060,701</u>
1,060,700,760	Ordinary share capital		2008 £'000 <u>1,060,701</u>

8 RESERVES

	Retained earnings £'000	Other reserves £'000	Totals £'000
At 1 January 2009	627,244	529,826	1,157,070
Profit for the year	88,303	-	88,303
Dividends	<u>-</u>	<u>(89,053)</u>	<u>(89,053)</u>
At 31 December 2009	<u>715,547</u>	<u>440,773</u>	<u>1,156,320</u>

9 TRADE AND OTHER PAYABLES

	2009 £'000	2008 £'000
Non-current		
Amounts owed to group undertakings	<u>306,885</u>	<u>306,135</u>

10 FINANCIAL INSTRUMENTS

The company's exposure to credit risk is explained in note 11
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 2009

11 RELATED PARTY DISCLOSURES

The immediate parent and ultimate controlling party respectively of the company are BPB 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	
	2009	2008
	£'000	£'000
Subsidiaries of Compagnie de Saint-Gobain		
Immediate parent company	190,831	190,831
Subsidiary companies	<u>116,054</u>	<u>115,304</u>
	<u>306,885</u>	<u>306,135</u>

All amounts owed to group companies are interest free, unsecured and repayable on demand
The company has not provided or benefited from any guarantees for any related party receivables or payables

12 RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2009	2008
	£'000	£'000
Profit before income tax	88,303	93,506
Finance income	<u>(88,303)</u>	<u>(93,506)</u>
Cash generated from operations	<u>—</u>	<u>—</u>

13 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 Mirours, 18 Avenue d'Alsace, 92096 Paris La Defense, France

14 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