Company Registration No.2263795

STANTON BONNA CONCRETE LIMITED

Directors' Report and Financial Statements

Year ended 31 December 2003

Deloitte & Touche LLP
Nottingham

REPORT AND FINANCIAL STATEMENTS 2003

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

ACTIVITIES

The principal activity of the company is the manufacture and supply of concrete pipes, other concrete products and glass reinforced plastic pipes.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company turnover for the year decreased to £17.4 million (2002: £19.3 million). The profit before taxation and dividends was £381,000 (2002: £360,000).

The company has continued with its development of concrete railway products with group assistance and following the successful supply of concrete railway sleepers to the CTRL1 project it has secured a major contract for the supply of railway sleepers to the CTRL2 project for production and despatch in 2004 and 2005.

RESULTS AND DIVIDENDS

An interim dividend of £119,000, 3.57p per share (2002: £24,005, 0.72p per share), was paid during the year.

The profits for the year after taxation and dividends of £143,000 (2002: £144,000) will be transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are as follows:

G J Nicholls

F C Leblanc (resigned 10 April 2003)

J P Hubbard

P Milliet

J P Guillou

A Menardi (appointed 10 April 2003)

None of the directors had a material interest in any contract to which the company was a party.

No directors of the company had any interest in the share capital of any group company, except as stated below.

The following directors had interests in the share capital of PCP Holdings, the company's ultimate parent:

	Ordinary shares	
	31 December 2003	**1 January 2003 or date of appointment**
P Milliet	60,942	60,942
J F Guillou	7,500	7,500
A Menardi	3,250	3,250

CHARITABLE DONATIONS

The company made charitable donations of £870 (2002: £720) during the year,

DIRECTORS' REPORT

DIRECTORS' STATEMENT OF RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

AUDITORS

Deloitte & Touche LLP were appointed during the year. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

B WILSON

Secretary

20th April 2004

Registered Number
2263795

Registered Office
Littlewell Lane
Stanton-by-Dale
Ilkeston
Derbyshire
DE7 4QW

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANTON BONNA CONCRETE LIMITED

We have audited the financial statements of Stanton Bonna Concrete Limited for the year ended 31 December 2003 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet, the cash flow statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and
Registered Auditors

Nottingham

29 April 2004

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
TURNOVER	1	17,408	19,267
Cost of sales		(13,352)	(14,520)
Gross profit		4,056	4,747
Distribution costs		(2,726)	(3,351)
Administration expenses		(834)	(898)
OPERATING PROFIT	2	496	498
Interest payable	4	(115)	(138)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		381	360
Tax on profit on ordinary activities	5	(119)	(192)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		262	168
Dividends	6	(119)	(24)
PROFIT FOR THE FINANCIAL YEAR	14	143	144

All the above results derive from continuing operations.

There are no recognised gains and losses other than the profit for the financial year and for the proceeding financial year. Accordingly, no statement of total recognised gains and losses is given.

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 2003

	2003 £'000	2002 £'000
Reported profit on ordinary activities before taxation	381	360
Difference between historical cost deprecation charge and the actual depreciation charge calculated on the revalued amount	20	20
Historical cost profit on ordinary activities before taxation	401	380
Historical cost profit for the year after taxation and dividends	163	164

BALANCE SHEET
31 December 2003

	Note	2003 £'000	2002 £'000
FIXED ASSETS			
Tangible assets	10	4,018	4,352
CURRENT ASSETS			
Stocks	7	3,672	3,233
Debtors	8	2,573	2,670
Cash at bank and in hand		2,261	22
		8,506	5,925
CREDITORS: amounts falling due Within one year	9	(6,549)	(4,387)
NET CURRENT ASSETS		1,957	1,538
TOTAL ASSETS LESS CURRENT LIABILITIES		5,975	5,890
PROVISIONS FOR LIABILITIES AND CHARGES	11	(138)	(196)
NET ASSETS		5,837	5,694
CAPITAL AND RESERVES			
Called up share capital	12	3,334	3,334
Profit and loss account	13	1,980	1,817
Revaluation reserve	13	523	543
EQUITY SHAREHOLDERS' FUNDS	14	5,837	5,694

These financial statements were approved by the Board of Directors on 20th April 2004

Signed on behalf of the Board of Directors

Directors

CASH FLOW STATEMENT
Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Net cash inflow from operating activities	18	3,236	2,806
Returns on investments and servicing of finance			
Interest paid		(115)	(138)
Taxation			
Tax paid		(107)	(152)
Capital expenditure			
Purchase of tangible fixed assets		(319)	(301)
Equity dividends paid		(119)	(24)
Net cash inflow before financing		2,576	2,191
Financing			
Repayment of related party loan		-	(500)
Increase in net cash	19,20	2,576	1,691

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain properties.

Turnover

Turnover represents sales to external customers at delivered prices. An analysis of turnover between markets is not provided as, in the opinion of the directors, disclosures of such information would not be in the interests of the company.

Tangible fixed assets

The company has adopted FRS 15 'Tangible Fixed Assets' and has followed the transitional provisions to retain the book value of land and buildings at their previously revalued amounts. No further revaluations will be undertaken. The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisition and any revaluations prior to the adoption of FRS 15. Interest is not capitalised.

Depreciation

Freehold land is not depreciated. Other tangible fixed assets are depreciated on a straight line basis, over their estimated useful lives as follows:

Freehold buildings	10-25 years
Major manufacturing equipment	5-25 years
Other plant and equipment	3-15 years
Office equipment	3-10 years
Mobile plant and motor vehicles	3-10 years
Loose plant, tools and moulds	2-5 years

Research and development

Research and development expenditure is charged to revenue in the period in which it is incurred.

Foreign currency

Transactions in overseas currencies are translated at the exchange rate ruling at the date of transaction or, where forward cover contracts have been arranged, at the contracted rates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date or at a contracted rate if applicable and any exchange differences arising are taken to the profit and loss account.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value.

Cost represents the cost of materials and, in the case of manufactured products, includes the cost of direct labour and production overheads based on normal levels of activity.

Long term contracts

Long term contracts are accounted for in accordance with SSAP 9. Turnover is recorded on the basis of acceptance of goods by customers. Attributable profits are only taken into the profit and loss account when the outcome of the contract can be assessed with reasonable certainty.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

1. ACCOUNTING POLICIES (Continued)

Pension costs

The company operates a defined benefit scheme and a defined contribution scheme. The defined benefit scheme is closed to new members.

For the defined contribution scheme, pension costs are charged to the profit and loss account as they arise.

For the defined benefit scheme, the regular pension cost is charged to the profit and loss account so as to spread the expected pension costs over the service lives of the employees. Contributions to the scheme and regular costs are determined by a qualified actuary on the basis of triennial valuations using the projected united method, taking into account the pension costs of the group as a whole. Variations from regular cost are assessed by the actuary and are spread over the expected remaining service lives of current employees in the scheme.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

2. OPERATING PROFIT

Operating profit is after charging:	**2003 £'000**	**2002 £'000**
Depreciation		
Owned assets	653	663
Auditors' remuneration		
For audit services	14	14
For non-audit services	4	8
Operating lease charges		
Plant and machinery	197	190

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003 £'000	**2002 £'000**
Directors' remuneration		
Aggregate emoluments	4	4

No directors had benefits accruing under defined benefit or money purchase pension schemes.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

	2003 No	2002 No
Average number of persons employed		
Production	143	157
Administration	26	29
	169	186

	£'000	£'000
Staff costs during the year		
Wages and salaries	3,689	4,015
Social security costs	291	293
Other pension costs	482	398
	4,462	4,706

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £'000	2002 £'000
Bank borrowings	15	38
Group borrowings	100	100
	115	138

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) **Analysis of tax charge in the year**	2003 £'000	2002 £'000
Current Taxation		
United Kingdom corporation tax at 30% (2002: 30%) based on the profit for the year	119	203
Adjustments in respect of previous periods	-	61
Total current tax (note 5b)	119	264
Deferred taxation		
Timing differences, origination and reversal	-	(72)
Adjustments in respect of previous periods	-	-
Total deferred tax	-	(72)
Tax on profit on ordinary activities	119	192

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)

b) Factors affecting the tax charge for the year

The standard rate of tax for the year based on the UK standard rate of corporation tax is 30% (2002: 30%). The actual tax charge for the current year is higher than the standard rate for reasons set out in the following reconciliation:

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	381	360
Tax on profit on ordinary activities at standard rate	114	108
Effects of:		
Expenses and charges not deductible for tax purposes	13	23
Depreciation in excess of capital allowances	(6)	72
Other timing differences	(2)	-
Adjustments in respect of prior periods	-	61
Current tax charge for the year (note 5a)	119	264

6. DIVIDENDS PAID

	2003 £'000	2002 £'000
Interim paid 3.57p (2002: 0.72p) per £1 ordinary share	119	24

7. STOCKS

	2003 £'000	2002 £'000
Raw materials and consumables	663	714
Work in progress	58	47
Finished products	2,951	2,472
	3,672	3,233

8. DEBTORS: Due within one year

	2003 £'000	2002 £'000
Trade debtors	2,379	2,462
Amounts owed by related companies	68	125
Other debtors	24	4
Prepayments and accrued income	102	79
	2,573	2,670

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Bank loans and overdrafts	-	337
Trade creditors	1,334	1,241
Amounts owed to related companies	2,498	2,168
Corporation tax	149	137
Other taxation and social security	301	151
Other creditors	8	48
Accruals and deferred income	2,259	305
	6,549	4,387

Amounts due to related companies includes £2,000,000 (2002: £2,000,000) relating to a short-term loan from the immediate parent company. This loan is unsecured, and is repayable at the option of the lender at each quarterly review.

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery, equipment and vehicles £'000	Assets in course of construction £'000	Total £'000
Cost or valuation				
At 1 January 2003	4,009	7,703	-	11,712
Additions	7	287	25	319
Disposals	-	(18)	-	(18)
At 31 December 2003	4,016	7,972	25	12,013
Accumulated depreciation				
At 1 January 2003	1,212	6,148	-	7,360
Charge for the year	140	513	-	653
Disposals	-	(18)	-	(18)
At 31 December 2003	1,352	6,643	-	7,995
Net book value				
At 31 December 2003	2,664	1,329	25	4,018
At 31 December 2002	2,797	1,555	-	4,352

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

10. TANGIBLE FIXED ASSETS (Continued)

Revaluation and land and buildings

The company's freehold land and buildings were revalued at 31 December 1990. If the amount of these revalued assets, included in the accounts at a valuation of £2,400,000, had been determined in accordance with the historic cost accounting convention they would have been included as:

	2003 £'000
Cost	1,649
Accumulated depreciation	(624)
Net book value at 31 December 2003	1,025
Net book value at 31 December 2002	1,117

As stated in note 1 'Accounting Policies', the company has adopted FRS 15 'Tangible Fixed Assets' and taken advantage of the transitional arrangements to retain the revalued assets at their book amounts.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	At 1 January 2003 £'000	Utilised £'000	Charged in the year £'000	At 31 December 2003 £'000
Claims provisions	*163*	*(84)*	*26*	*105*
Deferred taxation	33	-	-	33
	196	(84)	26	138

The amounts of deferred taxation provided in the financial statements and the potential amounts not provided are as follows:

	Provided 2003 £'000	Not provided 2003 £'000	Provided 2002 £'000	Not Provided 2002 £'000
Capital allowances in excess of depreciation	63	-	63	-
Other timing differences	(30)	-	(30)	-
	33	-	33	-

Deferred tax has not been provided on revaluations of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is minimal.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

12. CALLED UP SHARE CAPITAL

	2003 £'000	2002 £'000
Authorised, allotted and fully paid		
3,334,000 ordinary shares of £1 each	3,334	3,334

The company is an 80% subsidiary of Bonna Sabla SA. The remaining 20% of shares are held by Saint-Gobain Pipelines plc.

13. STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation reserve £'000	Profit and loss account £'000	Total 2003 £'000	Total 2002 £'000
Balance at 1 January 2003	543	1,817	2,360	2,216
Profit for the financial year	-	143	143	144
Transfer from revaluation reserve	(20)	20	-	-
Balance at 31 December 2003	523	1,980	2,503	2,360

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £'000	2002 £'000
Profit for the financial year	143	144
Net addition to shareholders' funds	143	144
Opening shareholders' funds	5,694	5,550
Closing shareholders' funds	5,837	5,694

15. CAPITAL COMMITMENTS

There were capital commitments contracted for at 31 December 2003 of £893,000 (2002: £243,000).

16. CONTINGENT LIABILITIES

At 31 December 2003 there were outstanding performance bonds of £2,402,000 (2002: £1,038,000)

The assets of the company are subject to a fixed and floating charge, as security to the debt facility of the Bonna Sabla SA group of companies.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

17. PENSION SCHEME

The majority of the company employees are members of the Stanton Bonna Pension Plan. This is a defined benefit pension scheme which is funded by Stanton Bonna Concrete Limited and its employees. The scheme was closed to new members on 1 April 2003, and a defined contribution scheme was set up. There are no members of this defined contribution scheme as at 31 December 2003. Contributions are made to a pension trust whose assets are held in a separate trustee administered fund. The contributions to the scheme are determined by a qualified actuary using the projected unit method.

The most recent full actuarial valuation was at 5 April 2003, which showed that the market value of the assets was £6,276,000 and the funding level was 61.3%. The pension charge in the year was £482,000 (2002: £398,000).

The main assumptions used for the full valuation are as follows:

Investment return (pre retirement) - 6.0%
Salary increase - 3.5%
Investment return (post retirement) - 5.25%
Pension increases - 2.5%

FRS17 – Retirement benefits

The valuation used for FRS17 disclosures has been based on the most recent actuarial valuation at 5 April 2003 and updated by the Actuary to take account of the requirements of FRS17 in order to assess the liabilities of the scheme at 31 December 2003. Scheme assets are stated at their market value at 31 December 2003.

The financial assumptions used to calculate scheme liabilities under FRS17 are:

Main actuarial assumptions:	**2003**	**2002**	**2001**
	%	**%**	**%**
Rate of increase in salaries	3.50	3.25	3.50
Rate of increase of pensions in payment	2.50	2.25	2.50
Discount rate	5.50	5.50	5.90
Inflation assumptions	2.50	2.25	2.50

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

	Value at 31 December 2003 £'000	Expected rate of return %	Value at 31 December 2002 £'000	Expected rate of return %	Value at 31 December 2001 £'000	Expected rate of return %
Equities	5,776	6.25	4,735	6.00	7,503	6.50
Bonds	1,834	5.00	1,563	5.00	-	-
Total market value of assets	7,610		6,298		7,503	
Present value of scheme liabilities	(10,937)		(10,497)		(9,379)	
Deficit in the scheme	(3,327)		(4,199)		(1,876)	
Related deferred tax	998		1,260		563	
Net pension liability	(2,329)		(2,939)		(1,313)	

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

17. PENSION SCHEME (Continued)

The following disclosures are for illustrative purposes, had FRS 17 been incorporated into the financial statements.

Profit and loss reserve:	**2003 £'000**	**2002 £'000**
Profit and loss reserve excluding net pension liability	1,980	1,817
Pension reserve	(2,329)	(2,939)
Profit and loss reserve including net pension liability	(349)	(1,122)
Net assets		
Net assets excluding net pension liability	5,837	5,694
Pension reserve	(2,329)	(2,939)
Net assets including pension liability	3,508	2,755

Analysis of the amount that would be charged to operating profit:	**2003 £'000**	**2002 £'000**
Service cost	314	323
Analysis of the amount that would be charged *against other finance income:*		
Expected return on pension plan assets	374	496
Interest on pension liabilities	(584)	(559)
Net return	(210)	(63)

Analysis of amount that would be recognised in statement of total recognised *gains and losses:*	***2003 £'000***	***2002 £'000***
Actual return less expected return on scheme assets	812	(1,951)
Experience gains and losses on liabilities	980	(69)
Changes in assumptions	(865)	(308)
Actuarial loss that would be recognised	927	(2,328)
History of experience gains and losses		
Difference between the expected and actual return on scheme:		
Amount (£'000)	812	(1,951)
Percentage of the present value of the scheme liabilities	11%	(31%)
Experience gains and losses on scheme liabilities:		
Amount (£'000)	980	(69)
Percentage of the present value of the scheme liabilities	9%	(1%)
Total amount recognised in the statement of total recognised gains and losses:		
Amount (£'000)	927	(2,328)
Percentage of the present value of the scheme liabilities	8%	(22%)

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

17. PENSION SCHEME (Continued)

Movements in deficit during the year:	2003 £'000	2002 £'000
Deficit in scheme at beginning of year	(4,199)	(1,876)
Movement in year:		
Current service cost	(314)	(323)
Contributions	469	391
Net return on assets	(210)	(63)
Actuarial gain/(loss)	927	(2,328)
Deficit in scheme at end of year	(3,327)	(4,199)

The actuarial valuation at 31 December 2003 shows a decrease in the deficit from £4,199,000 to £3,327,000. Contributions were increased from 16.5% to 20% of pensionable earnings from 1 January 2003.

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £'000	2002 £'000
Operating profit	496	498
Depreciation charge	653	663
(Increase)/decrease in stocks	(439)	639
Decrease in debtors	97	1,836
Increase/(decrease) in creditors	2,487	(962)
(Decrease)/increase in provisions	(58)	132
	3,236	2,806

19. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1 January 2003 £'000	Cash flows £'000	At 31 December 2003 £'000
Cash in hand	22	2,239	2,261
Overdrafts	(337)	337	-
	(315)	2,576	2,261
Other loans	(2,000)	-	(2,000)
	(2,315)	2,576	261

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	2003 £'000	2002 £'000
Increase in cash in the period	2,576	1,691
Repayment of other loans	-	500
Changes in net funds/(debt)	2,576	2,191
Net debt at 1 January 2003	(2,315)	(4,506)
Net funds/(debt) at 31 December 2003	261	(2,315)

21. OPERATING LEASE COMMITMENTS

At 31 December 2003, the company had annual commitments under non-cancellable operating leases expiring as follows:

	2003 Other £'000	2002 Other £'000
Lease which expire:		
Within one year	37	43
Within two and five years	156	159
Over five years	39	6
	232	208

22. PARENT UNDERTAKINGS AND OWNERSHIP

The company is an 80% subsidiary of Bonna Sabla SA, a company incorporated in France. The remaining 20% of ordinary share capital is owned by Saint-Gobain Pipelines plc.

The ultimate controlling party is Axa Private Equity Fund, and the ultimate parent undertaking is PCP Holdings, a company incorporated in France.

A copy of the consolidated accounts of PCP Holdings, the smallest and largest group in which the results of the company are included, can be obtained from The Secretary at Tour Ariane, 5 Place de la Pyramide, 92088 La Defense, Paris, France.

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

23. RELATED PARTY TRANSACTIONS

During the year, the company traded with Saint-Gobain Pipelines plc, an associated company, and its associates. Costs recharged from Saint-Gobain Pipelines plc amounted to £298,000 (2002: £291,000) in respect of utilities, services and rents. Amounts due to Saint-Gobain plc at 31 December 2003 were £Nil (2002: £4,000). Sales of £5,000 were made to Saint-Gobain Group companies during the year (2002: £147,000). A balance of £1,000 (2002: £45,000) was due from Saint-Gobain Group Companies at 31 December 2003.

During the year, the company also traded with members of the Bonna Sabla Group. Total transactions with the group amounted to £1,681,000 (2002: £1,043,000) and included the purchase of moulds, the supply of goods and materials, the recharging of research and development costs and technical fees, the charging of loan interest, the cost of hire of equipment and the recharge of other sundry costs.

Trade sales of £205,000 (2002: £183,000) were made to Bonna Sabla Group companies during the year.

As at 31 December 2003 £498,000 (2002: £164,000) was payable to Bonna Sabla Group companies and £78,000 (2002: £80,000) was due from Bonna Sabla Group companies. There is a provision of £11,000 against the amounts due from Bonna Sabla Group.

In addition there is an outstanding loan due to Bonna Sabla for £2,000,000 (2002: £2,000,000)