

# **Stanton Bonna**

**STANTON BONNA CONCRETE LTD**



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# **Stanton Bonna Concrete Limited**

*(Company Number: 2263795)*

## **Directors' Report and Accounts**

**For the year ended 31 December 2002**

## Contents

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	<i>Pages</i>
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Note of historical costs profits and losses	5
Statement of total recognised gains and losses	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 20

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The Directors present their report and audited financial statements of the Company for the year ended 31 December 2002.

***Principal 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 the business and future developments***

The Company turnover for the year decreased to £19.3 million (2001: £20.9 million). The profit before taxation and dividends was £360,000 (2001: £69,000).

The Company continues to invest in and develop its product ranges, especially in areas where expertise is already available within the Bonna Sabla group.

***Results and dividends***

An interim dividend of £24,005, 0.72p per share (2001: £139,028, 4.17p per share) was paid during the year.

The profit for the year after taxation and dividends of £144,000 (2001: £31,000 loss (as restated)) will be transferred to reserves.

***Directors***

The Directors who served during the year are as follows:

G J Nicholls	
M E E Rivard	(resigned 14 November 2002)
D R H Pommeret	(resigned 14 November 2002)
F C Leblanc	(resigned 10 April 2003)
J P Hubbard	
P Milliet	(appointed 14 November 2002)
J F Guillou	(appointed 14 November 2002)
A Menardi	(appointed 10 April 2003)

None of the Directors had a material interest in any contract to which the Company was a party.

***Directors' interests***

No Director of the Company had any interest in the share capital of any group Company.

The following Directors had interests in the share capital of PCP Holdings, the Company's ultimate parent, at the end of the year:

P Milliet	60,942 ordinary shares
J F Guillou	7,500 ordinary shares

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### **Charitable donations**

The Company made charitable donations of £720 (2001: £555) during the year.

### **Directors' responsibilities**

Company Law requires the Directors to prepare accounts for each financial year which 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 those accounts, the Directors are required to:

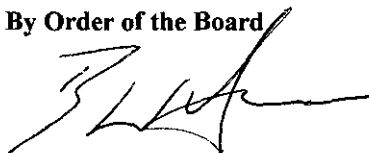
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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**

PricewaterhouseCoopers transferred their business to a limited liability partnership, PricewaterhouseCoopers LLP, on 1 January 2003, following which PricewaterhouseCoopers resigned and the directors appointed PricewaterhouseCoopers LLP as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

**By Order of the Board**



B Wilson  
*Secretary*  
28 May 2003

**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 which comprise the profit and loss account, balance sheet, cash flow statement, the statement of total recognised gains and losses and the related notes.

### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom Companies Act. We also report to you 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 is not disclosed.

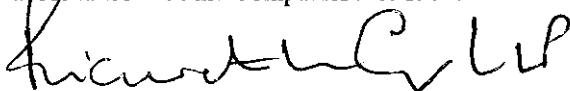
### *Basis of audit opinion*

We conducted our audit in accordance with 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 at 31 December 2002 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
East Midlands  
28 May 2003

	2002 £'000	2001 (as restated) £'000
<b>Turnover (note 1)</b>	19,267	20,878
Cost of sales	(14,520)	(17,263)
<b>Gross profit</b>	4,747	3,615
Distribution costs	(3,351)	(2,502)
Administration expenses	(898)	(924)
<b>Operating profit before interest</b>	498	189
Interest (note 2)	(138)	(120)
<b>Profit on ordinary activities before taxation (note 3)</b>	360	69
Taxation (note 11)	(192)	39
<b>Profit on ordinary activities after taxation</b>	168	108
Dividend (note 13)	(24)	(139)
<b>Profit/(loss) for the financial year (note 15)</b>	144	(31)

The above results all arose from continuing operations.

	2002 £'000	2001 (as restated) £'000
Reported profit on ordinary activities before taxation	360	69
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	20	20
<b><i>Historical cost profit on ordinary activities before taxation</i></b>	<b>380</b>	<b>89</b>
<b><i>Historical cost profit/(loss) for the year after taxation and dividends</i></b>	<b>164</b>	<b>(11)</b>

## Statement of total recognised gains and losses for the year ended 31 December 2002

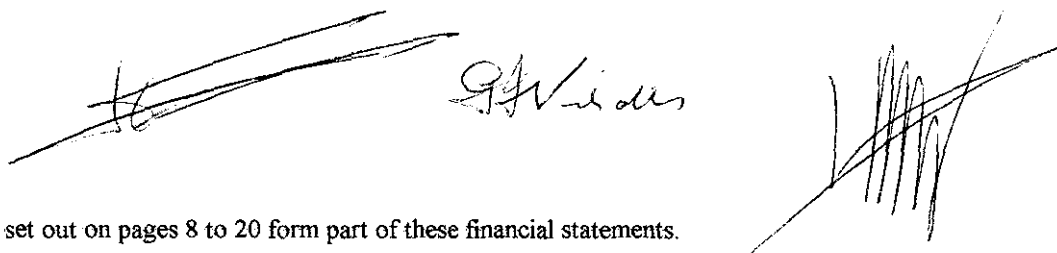
	2002 £'000	2001 (as restated) £'000
Profit/(loss) for the financial year	144	(31)
Total recognised gains and losses relating to the year	144	(31)
Prior year adjustment (as explained in note 12)	(105)	
<b><i>Total gains and losses recognised since last annual report</i></b>	<b>39</b>	



	2002	2001
	(£'000)	(as restated) (£'000)
<b>Fixed Assets</b>		
Tangible assets (note 6)	4,352	4,714
<b>Current Assets</b>		
Stocks (note 7)	3,233	3,872
Debtors (note 8)	2,670	4,506
Cash at bank and in hand	22	57
	5,925	8,435
<b>Creditors – Amount falling due within one year</b> (note 9)	(4,387)	(7,463)
<b>Net current assets</b>	1,538	972
<b>Total assets less current liabilities</b>	5,890	5,686
<b>Provisions and deferred liabilities (note 10)</b>	(196)	(136)
<b>Net assets</b>	5,694	5,550
<b>Capital and Reserves</b>		
Called up share capital (note 14)	3,334	3,334
Profit and loss account (note 15)	1,817	1,653
Revaluation reserve (note 15)	543	563
<b>Equity shareholders' funds (note 16)</b>	5,694	5,550

Approved by the Board on 28 May 2003, and signed on its behalf by

**Directors**



The notes set out on pages 8 to 20 form part of these financial statements.

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	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
<i>Net cash inflow from operating activities (note 20)</i>	2,806	1,559
<i>Returns on investments and servicing of finance</i>		
Interest paid	(138)	(120)
<i>Taxation</i>		
Tax paid	(152)	(45)
<i>Capital expenditure</i>		
Purchase of tangible fixed assets	(301)	(1,294)
<i>Equity dividends paid (note 13)</i>	(24)	(139)
Net cash inflow/(outflow) before financing	2,191	(39)
<i>Financing</i>		
Repayment of related party loan	(500)	-
Capital element of finance lease payments	-	(157)
<i>Increase/(Decrease) in net cash (note 21)</i>	1,691	(196)

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The notes set out on pages 8 to 20 form part of these financial statements.

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## **1 Accounting Policies**

### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings. They have been prepared in accordance with applicable accounting and financial reporting standards.

A summary of the more important accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting policies in the year.

The company has implemented the Accounting Standards Board FRS 19 'Deferred Tax' for the year ended 31 December 2002. In accordance with the transitional provisions for implementing the standard, the deferred tax provision has been accounted for as a prior year adjustment. The effect of the change in accounting policy to adopt FRS 19 was an increase in profit after tax of £72,000 in the current year, an increase of £60,000 in the prior year, and a reduction in brought forward reserves at 1 January 2001 of £165,000.

### ***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 the 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 manufacturing 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.

**Pensions**

The Company's employees are members of a defined benefit pension scheme. The regular pension cost is charged to 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 unit 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 corporation tax is recognised in respect of all temporary timing differences that have originated but not reversed by the balance sheet date. The deferred tax provision is not discounted.

**Leasing**

Where tangible fixed assets are financed through leasing arrangements classified as finance leases, they are treated as if they had been purchased outright and the corresponding leasing liability is shown in creditors. Depreciation on leased assets is provided on the same basis as owned assets.

Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account in the period in which it is incurred.

**2 Interest payable**

	2002 £'000	2001 £'000
Interest payable		
- bank borrowings	38	11
- on group borrowings	100	102
- finance lease interest	-	7
	138	120

**3 Operating profit**

	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
Operating profit is stated after charging:		
Depreciation		
- owned assets	639	657
- leased assets	24	27
Auditors' remuneration		
- for audit services	14	12
- for non audit services	8	8
Operating lease charges		
- plant and machinery	190	183

**4 Employee information**

	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
Staff costs for the period comprise:		
Wages and salaries	4,015	3,942
Social Security costs	293	298
Other pension costs	398	335
	<b>4,706</b>	<b>4,575</b>

The average number of persons employed during the year excluding directors was:

	<b>2002</b> <b>Number</b>	<b>2001</b> <b>Number</b>
Production	157	160
Administration	29	29
	<b>186</b>	<b>189</b>

**5 Directors' emoluments**

	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
Aggregate emoluments	4	4

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

**6 Tangible fixed assets**

	<i>Freehold land and buildings £'000</i>	<i>Plant, machinery, equipment and vehicles £'000</i>	<i>Total £'000</i>
<b>Cost or valuation</b>			
At 1 January 2002	3,989	7,422	11,411
Additions	20	281	301
At 31 December 2002	4,009	7,703	11,712
<b>Depreciation</b>			
At 1 January 2002	1,074	5,623	6,697
Charge for the year	138	525	663
At 31 December 2002	1,212	6,148	7,360
<b>Net book amount</b>			
At 31 December 2002	2,797	1,555	4,352
At 31 December 2001	2,915	1,799	4,714

**Revaluation of 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 at 31 December 2002, they would have been included as:

	<i>2002 £'000</i>
Cost	1,649
Accumulated depreciation	(532)
Net book amount	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.

The Company has no fixed assets held under finance leases.

**7 Stocks**

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	714	718
Work in progress	47	48
Finished products	2,472	3,106
	<b>3,233</b>	<b>3,872</b>

**8 Debtors**

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	2,462	4,290
Amounts owed by related companies	125	144
Other debtors	4	8
Prepayments and accrued income	79	64
	<b>2,670</b>	<b>4,506</b>

All the above debtors are recoverable within one year.

**9 Creditors - Amounts falling due within one year**

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>(as restated)</b>
		<b>£'000</b>
Bank loans and overdrafts	337	2,063
Trade creditors	1,241	1,708
Amounts owed to related companies (note)	2,168	2,857
Corporation tax	137	25
Other taxation and Social Security	151	443
Other creditors	48	24
Accruals and deferred income	305	343
	<b>4,387</b>	<b>7,463</b>

Note: Amounts due to related companies includes £2,000,000 (2001: £2,500,000) 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 Provisions for liabilities and charges**

	<i>B/fwd at 1 January 2002 (as restated) £'000</i>	<i>Utilised £'000</i>	<i>Charged £'000</i>	<i>C/fwd at 31 December 2002 £'000</i>
Claims provisions	31	(37)	169	163
Deferred taxation ( <i>note 12</i> )	105	(72)	-	33
	136	(109)	169	196

**11 Taxation****(a) The corporation tax liability for the year comprised:**

	<i>2002 £'000</i>	<i>2001 (as restated) £'000</i>
UK corporation tax at 30% ( <i>2001: 30%</i> )	203	44
Under/(over) charges in respect of previous periods	61	(23)
Total corporation tax	264	21
Deferred taxation ( <i>note 12</i> )	(72)	(60)
	192	(39)

Deferred taxation has been recognised as set out in Note 12.

**(b) Factors affecting the tax charge for the period**

The tax charge for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<i>2002 £'000</i>	<i>2001 £'000</i>
Profit on ordinary activities before tax	360	69
Profit on ordinary activities multiplied by the standard rate of corporation tax:	108	21
Effects of		
Expenses and charges not deductible for tax purposes	23	(37)
Capital allowances for the period lower than depreciation	72	60
Adjustments to the tax charge in respect of previous periods	61	(23)
Current tax charge for the period ( <i>Note 11 (a)</i> )	264	21



**12 Deferred taxation**

The company has implemented the Accounting Standards Board FRS 19 'Deferred Tax' for the year ended 31 December 2002. In accordance with the transitional provisions for implementing the standard, the deferred tax provision has been accounted for as a prior year adjustment. The effect of the change in accounting policy to adopt FRS 19 was an increase in profit after tax of £72,000 in the current year, an increase of £60,000 in the prior year, and a reduction in brought forward reserves at 1 January 2001 of £165,000.

Deferred tax provided in the accounts comprises:

	2002 £'000	2001 (as restated) £'000
Accelerated capital allowances	63	116
Other timing differences	(30)	(11)
Provision for deferred tax	33	105
At 1 January (as restated)	105	165
Deferred tax release in profit and loss account for the period (Note 11)	(72)	(60)
At 31 December	33	105

**13 Dividends paid**

	2002 £'000	2001 £'000
Interim paid: 0.72p (2001: 4.17p) per £1 ordinary share	24	139

**14 Share Capital**

	2002 £'000	2001 £'000
3,334,000 Ordinary shares of £1 each:		
Authorised, allotted and fully paid	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. Further details are given in Note 24 to these financial statements.

**15 Reserves**

	<i>Revaluation Reserve £'000</i>	<i>Profit and Loss account £'000</i>
Balance at 1 January 2002 (as restated)	563	1,653
Profit for the financial year	-	144
Transfer	(20)	20
Balance at 31 December 2002	543	1,817

**16 Reconciliation of movement in shareholders funds**

	<i>2002 £'000</i>	<i>2001 £'000</i>
Profit/(loss) for the financial year and net addition to/(reduction in) shareholders funds	144	(31)
Opening shareholders' funds as previously reported	5,655	5,746
Prior year adjustment – adoption of FRS 19 (note 12)	(105)	(165)
Opening shareholders' funds as restated	5,550	5,581
Closing shareholders' funds	5,694	5,550

**17 Capital commitments**

There were capital commitments contracted for at 31 December 2002 of £243,000 (2001: £136,000).

**18 Contingent liabilities**

At 31 December 2002 there were outstanding performance bonds of £1,038,000 (2001: £1,181,000).

Subsequent to the year-end, the assets of the Company have been made subject to a fixed and floating charge, as security to the debt facility of the Bonna Sabla SA group of companies.

**19 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. 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 2000, and indicated that the scheme was funded at 99%. The pension charge in the year was £398,000 (2001: £335,000).

	2002 %	2001 %
<i>Main actuarial assumptions:</i>		
Rate of increase in salaries	3.25%	3.5%
Rate of increase of pensions in payment	2.25%	2.5%
Discount rate	5.50%	5.9%
Inflation assumption	2.25%	2.5%

	2002 Fair value £'000	2002 Expected rate of return %	2001 Fair value £'000	2001 Expected rate of return %
<i>Fair value of scheme assets and expected rate of return:</i>				
Equities	4,735	6.0%	7,503	6.5%
Bonds	1,563	5.0%	-	-
Total fair value	6,298		7,503	

	2002 £'000	2001 £'000
<i>Reconciliation of scheme assets and liabilities to the balance sheet:</i>		
Fair value of scheme assets	6,298	7,503
Present value of scheme liabilities	(10,497)	(9,379)
Deficit in the scheme	(4,199)	(1,876)
Related deferred tax	1,260	563
Net pension liability	(2,939)	(1,313)

**19 Pension scheme (continued)**

The following disclosures are for illustrative purposes, had FRS17 been incorporated into the financial statements.

<i>Profit and loss reserve note:</i>	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
Profit and loss reserve excluding net pension liability	1,817	1,653
Pension reserve	(2,939)	(1,313)
Profit and loss reserve including net pension liability	(1,122)	340

*Effect on Net Assets:*

Net assets excluding net pension liability	5,694	5,550
Pension reserve	(2,939)	(1,313)
Net Assets	2,755	4,237

	<b>Year to</b> <b>31 December 2002</b> <b>£'000</b>
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*Analysis of the amount charged to operating profit:*

Service cost	323
Past service cost	-
Total operating charge	323

	<b>Year to</b> <b>31 December 2002</b> <b>£'000</b>
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*Analysis of net return on pension plan:*

Expected return on pension plan assets	496
Interest on pension liabilities	(559)
Net return	(63)

	<b>Year to</b> <b>31 December 2002</b> <b>£'000</b>
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*Analysis of amount recognised in statement of total recognised gains and losses:*

Actual return less expected return on assets	(1,951)
Experience gains and losses on liabilities	(69)
Changes in assumptions	(308)
Actuarial gain/(loss) recognised	(2,328)
Actual rate of return on assets	(31%)
Experience gains and losses on liabilities	(0.6%)
Actuarial loss recognised as proportion of liabilities	(22%)

**19 Pension scheme (continued)**

	<i>Year to 31 December 2002 £'000</i>
<i>Movements in deficit during the year:</i>	
Deficit in plan at beginning of year	(1,876)
Movement in year:	
Current service cost	(323)
Contributions	391
Past service costs	-
Net return on assets/(interest cost)	(63)
Actuarial loss	(2,328)
<b>Deficit in plan at end of year</b>	<b>(4,199)</b>

The actuarial valuation at 31 December 2002 shows an increase in the deficit from £1,876,000 to £4,199,000. Contributions were increased from 14% to 16.5% of pensionable earnings with effect from 1 April 2002.

**20 Reconciliation of operating profit to net cash inflow from operating activities**

	<i>2002 £'000</i>	<i>2001 £'000</i>
Operating profit	498	189
Depreciation charge	663	684
Decrease/(increase) in stocks	639	(679)
Decrease/(increase) in debtors	1,836	(2,381)
(Decrease)/increase in creditors	(962)	3,746
Increase in provisions	132	-
	<b>2,806</b>	<b>1,559</b>

**21 Analysis of changes in net debt**

	<i>At 1 January 2002 £'000</i>	<i>Cash flows £'000</i>	<i>At 31 December 2002 £'000</i>
Cash in hand	57	(35)	22
Overdrafts	(2,063)	1,726	(337)
	(2,006)	1,691	(315)
Other loans	(2,500)	500	(2,000)
	<b>(4,506)</b>	<b>2,191</b>	<b>(2,315)</b>

**22 Reconciliation of net cash flow to movement in net debt**

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Increase/(decrease) in cash in the period	1,691	(196)
Repayment of other loans	500	-
Repayment of finance lease capital	-	157
Change in net debt	2,191	(39)
Net debt at 1 January 2002	(4,506)	(4,467)
Net debt at 31 December 2002	(2,315)	(4,506)

**23 Operating lease commitments**

At 31 December 2002 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	43	42
Within two and five years	159	151
Over five years	6	-
	208	193

**24 Parent undertakings and ownership**

The Company is an 80 per cent subsidiary of Bonna Sabla SA, a company incorporated in France. The remaining 20 per cent of ordinary share capital is owned by St Gobain Pipelines plc.

Until 5 December 2002, the ultimate parent and controlling party was Vivendi Universal, a company incorporated in France. From that date, the ultimate controlling party has been Axa Private Equity Fund, and the ultimate parent undertaking has been PCP Holding, a company incorporated in France.

A copy of the consolidated accounts of PCP Holding, 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.

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**25      *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 £291,000 (2001: £285,000) in respect of utilities, services and rents. Amounts due to Saint-Gobain Pipelines plc at 31 December 2002 were £4,000 (2001: £1,000). Sales of £147,000 were made to Saint-Gobain Group Companies during the year (2001: £116,000). A balance of £43,000 (2001: £47,000) was due from Saint-Gobain Group Companies at 31 December 2002.

During the year the Company also traded with members of the Bonna Sabla Group. The transactions included purchase of plant and machinery £10,000 (2001: £391,000), hire of equipment £14,000 (2001: £72,000), recharges of research and development costs of £41,000 (2001: £63,000) and goods and services of £978,000 (2001: £2,045,000). Trade sales of £183,000 (2001: £204,000) were also made to Bonna Sabla group companies during the year.

At 31 December 2002 £105,000 (2001: £312,000) was payable to Bonna Sabla group companies. Additionally, £80,000 (2001: nil) was due from Bonna Sabla group companies.