

# BCC PIPE LIMITED

Company Registration Number : 3109247

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS** Year Ended 31 December 2005



# BCC PIPE LIMITED

## **REPORT OF THE DIRECTORS**

The directors submit their report and the financial statements for the year ended 31 December 2005.

### **REVIEW OF PERIOD'S ACTIVITIES**

During the year the company did not trade.

### **RESULTS AND DIVIDENDS**

The result for the year was a loss after taxation of £1,000,000 (2004: £Nil). The profit and loss account is shown on page 4.

The directors recommend a final dividend of £Nil (2004: £Nil).  
The resulting loss has been transferred to reserves.

### **POLICY OF PAYMENT OF CREDITORS**

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of each agreement; to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. Outstanding creditor days at 31 December 2005 were 0 (31 December 2004: 0).

### **DIRECTORS AND INTERESTS IN SHARES**

The names of the present directors are:

C Ciancioni  
G de Raphelis

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

The Company is exempt from disclosing interests (if any) of the Directors and their families in the share capital of the ultimate parent company by virtue of the Companies (Disclosure of Directors Interests) (Exemptions) Regulations 1985 (SI 1985 no 802).

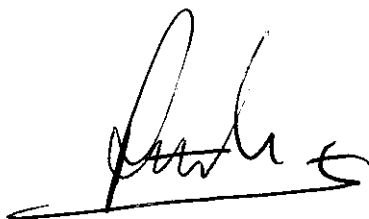
### **AUDITORS**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

P E MOORE  
Secretary

Registered Office:  
Lows Lane, Stanton-by-Dale  
Ilkeston, Derbyshire  
DE7 4QU



30 October 2006

## BCC PIPE LIMITED

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing 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 GAAP.

The financial statements are required by law to present fairly the financial position and the performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 they have been prepared in accordance with IFRS as adopted by the EU; 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 enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.

## KPMG Audit Plc

St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ  
United Kingdom

### Report of the independent auditors to the members of BCC Pipe Limited

We have audited the financial statements on pages 4 to 13.

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 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.

#### Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 with the company 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 as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants  
Registered Auditor

30 October 2006

# BCC PIPE LIMITED

## PROFIT AND LOSS ACCOUNT

Year Ended 31 December 2005

	Notes	2005 £'000	2004 £'000
<b>TURNOVER</b>	1	-	-
<b>OPERATING LOSS</b>	2	(5)	(3)
Interest receivable	4	5	3
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Taxation	5	(1,000)	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(1,000)	-
<b>RETAINED LOSS FOR THE FINANCIAL PERIOD</b>	13	(1,000)	-

The notes on pages 8 to 13 form part of these accounts.

There is no material difference between loss reported above and it's historical cost equivalent.

All results arise from discontinued operations.

No other gains or losses have occurred other than those included above, and hence no statement of total recognised gains and losses has been presented.

# BCC PIPE LIMITED

## BALANCE SHEET

31 December 2005

	Notes	2005 £'000	2004 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	-	-
Investments	7	3,500	3,500
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	8	33	471
Cash at bank and in hand		5	22
		<u>38</u>	<u>493</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(19,627)	(18,910)
<b>NET CURRENT LIABILITIES</b>		<u>(19,589)</u>	<u>(18,417)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(16,089)</u>	<u>(14,917)</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	10	(100)	(272)
<b>NET LIABILITIES</b>		<u>(16,189)</u>	<u>(15,189)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	11,241	11,241
Profit and loss account	13	(27,430)	(26,430)
<b>EQUITY SHAREHOLDER DEFICIT</b>	13	<u>(16,189)</u>	<u>(15,189)</u>

Approved by the Board on 30 October 2006.

  
C CIANCIONI  
Director

## BCC PIPE LIMITED

### ACCOUNTING POLICIES

#### **Basis of preparation of the accounts**

The financial statements present information about the Company as an individual undertaking and not about its group, as explained in Note 17.

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **Going concern**

The company has received an undertaking from the intermediary parent company, Saint-Gobain Pipelines Plc, that it shall meet the company's liabilities as long as the company remains a subsidiary of Compagnie de Saint-Gobain. On this basis the directors have prepared the financial statements on a going concern basis.

#### **Depreciation of fixed assets**

Plant and equipment are depreciated on a straight-line basis over their estimated lives of 2 to 12 years.

#### **Pension costs**

The company participated in a defined benefit scheme of the parent company Saint-Gobain Pipelines Plc.

The expected cost of pensions in respect of the defined pension scheme is charged to the profit and loss account. Variations from regular cost are assessed annually by the actuary and are spread over the expected remaining service lives of current employees in the scheme. Contributions to the scheme and regular costs are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

## **Foreign currencies**

Assets, liabilities, profits and losses in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Costs and revenues payable or receivable in foreign currencies and included in forecasts of contract outcome are translated using current exchange rates. Gains and losses from hedging future foreign currency costs and revenues are included in the estimates of contract outcome. Exchange differences on translation of the opening net assets of overseas operations at the rates ruling at the balance sheet date are taken directly to reserves. Exchange differences from the translation of long term foreign currency finance are also taken to reserves. Other exchange differences arising in the ordinary course of business are included in the profit and loss account. Remittances from overseas may be subject to local exchange control regulations.

## **Deferred taxation**

With effect from 1 January 2002 the company has implemented the Accounting Standards Board FRS 19 'Deferred Tax'.

Deferred corporation tax is recognised in respect of all temporary timing differences that have originated but not reserved by the balance sheet date. Any deferred tax asset is undiscounted.



# BCC PIPE LIMITED

## NOTES TO FINANCIAL STATEMENTS

### (1) Turnover

The Company did not trade during the year.

	2005 £'000	2004 £'000
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### Operating loss represents:

Other external charges	(5)	(1)
Staff costs and management recharges	-	(59)
Release of restructuring provision	-	57
	<u>(5)</u>	<u>(3)</u>

Other external charges/(credits) include charges of:

### Auditors' remuneration

- audit fees	-	4
- non audit work	-	-
	<u>-</u>	<u>-</u>

### Staff costs comprise:

Wages and salaries	-	2
Social security costs	-	-
Pension costs	-	-
Redundancy	-	-
	<u>-</u>	<u>2</u>

The average number of employees during the period was as follows:

	Number	Number
United Kingdom	-	-

**(3) Directors' emoluments**

No emoluments were paid to the directors during the year (2004: £Nil).

There are no excess retirement benefits in respect of directors or past directors.

The emoluments of directors were paid by the parent company which made no recharge to the company. Mr C Ciancioni and Mr G de Raphelis are directors of Saint-Gobain Pipelines Plc and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of the subsidiaries. Accordingly, the above details include no emoluments in respect of Mr C Ciancioni and Mr G de Raphelis. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the 2005 financial statements of fellow subsidiaries.

	2005 £'000	2004 £'000
<b>(4) Interest receivable</b>		
Interest receivable:		
Group	5	(2)
Bank	-	5
	<u>5</u>	<u>3</u>
Interest receivable	<u>5</u>	<u>3</u>

<b>(5) a) Taxation</b>	£'000	£'000
Current year		
Prior year adjustment to Corporation Tax at 30%	(1,000)	-
	<u>(1,000)</u>	<u>-</u>

No proof of tax has been presented as the only reconciling item is in relation to a prior year under-provision.

<b>b) Deferred taxation</b>	£'000	£'000
Asset brought forward	-	-
Released to profit and loss account	-	-
	<u>-</u>	<u>-</u>
Asset at 31 December 2005	<u>-</u>	<u>-</u>

(6) **Fixed assets – tangible**

	<b>Plant and equipment £'000</b>
Cost:	
Balance at 31 December 2004 and 31 December 2005	148
Accumulated Depreciation:	
Balance at 31 December 2004 and 31 December 2005	148
<b>Net book amount at 31 December 2005</b>	<b>-</b>
Net book amount at 31 December 2004	-

(7) <b>Fixed assets</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Fixed asset investments consist of:		
Shares in Group Undertakings:	3,500	3,500

The company directly holds 100% ordinary share capital in the following group undertaking.

<b>Name of company</b>	<b>Country of registration and place of business</b>	<b>Nature of business</b>
BCC Industries (UK) Limited	England and Wales	Dormant

	2005 £'000	2004 £'000
<b>(8) Debtors: amounts falling due within one year</b>		
Trade debtors	-	-
Amounts owed by group undertakings	15	465
Prepayments and accrued income	18	6
	<u>33</u>	<u>471</u>

Amounts owed by group undertakings have no fixed date of repayment.

	£'000	£'000
<b>(9) Creditors: amounts falling due within one year</b>		
Trade creditors	-	-
Amounts owed to group undertakings	19,624	18,868
Accruals and deferred income	3	42
	<u>19,627</u>	<u>18,910</u>

Amounts owed to group undertakings have no fixed date of repayment.

**(10) Provisions for liabilities and charges:**

	Brought forward 31/12/04 £'000	Profit & loss account £'000	Utilised £'000	Carried forward 31/12/05 £'000
Provision for closure costs	272	-	(172)	100
	<u>272</u>	<u>-</u>	<u>(172)</u>	<u>100</u>

The provision for closure cost is expected to be utilised during the next three years.  
Provisions are not discounted.

	2005 £'000	2004 £'000
<b>(11) Called up share capital</b>		
Authorised 95,000,000 ordinary shares of £1 each	95,000	95,000
Allotted and fully paid 11,241,000 ordinary shares of £1 each	11,241	11,241

	2005 £'000	2004 £'000
<b>(12) Reconciliation of movements in shareholders' funds</b>		
Loss for the financial year	(1,000)	-
Opening shareholders' funds	(15,189)	(15,189)
Closing shareholders' funds	<u>(16,189)</u>	<u>(15,189)</u>

**(13) Statement of movement on reserves**

	Share Capital £'000	Profit and Loss Account £'000	Total £'000
At the beginning of the year	11,241	(26,430)	(15,189)
Loss for the year	-	(1,000)	(1,000)
At end of year	<u>11,241</u>	<u>(27,430)</u>	<u>(16,189)</u>

**(14) Pension commitments**

Details of the Saint-Gobain Pipelines Plc defined benefit scheme and disclosure under FRS17 transitional rules, are given in the financial statements of Saint-Gobain Pipelines Plc. The most recent actuarial valuation was at 5 April 2005 and showed that the actuarial value of assets was sufficient to cover 90.9% of the value of benefits. Contributions to the scheme for the year ended 31 December 2005 amounted to £Nil.

Effective from 1 June 2002 the parent company closed the defined benefit scheme to new members. Benefits for existing members continue exactly as before. Retirement benefits for new members effective 1 June 2002 are provided by a defined contribution scheme that is funded by Saint-Gobain Pipelines Plc and employees.

**(15) Related party transactions**

Advantage has been taken of the exemption given in FRS 8 to wholly owned subsidiaries, not to provide details of transactions and balances with other group members of the Saint-Gobain group and shareholders of Saint-Gobain.

**(16) Ultimate parent company and controlling party**

BCC Pipe Limited is wholly owned by BCC (Coney Green) Limited which is registered in England & Wales and a wholly owned subsidiary of Saint-Gobain Pipelines Plc.

The company's ultimate parent undertaking and controlling party is Compagnie de Saint-Gobain, which is incorporated in France and which produces group financial statements including the results of the company, and the company is therefore exempt from the obligation to prepare and deliver financial statements. The financial statements produced by Compagnie de Saint-Gobain include a group cashflow statement and, therefore, a cashflow statement is not required to be shown by this company. Copies of the accounts of Compagnie de Saint-Gobain may be obtained from the Company Secretary, Les Miroirs, 18 Avenue d'Alsace, 92096 Paris La Defense, France.