

Saint-Gobain Quartz Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2018

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for the year ended 31 December 2018**

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

DIRECTORS:

M S Chaldecott
N J Cammack

SECRETARY:

A R Oxenham

REGISTERED OFFICE:

Saint-Gobain House
Binley Business Park
Coventry
CV3 2TT

REGISTERED NUMBER:

00089761

INDEPENDENT AUDITORS:

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

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

REVIEW OF BUSINESS

The company is a subsidiary of Saint Gobain Quartz SAS and operates as part of Compagnie de Saint-Gobain's High Performance Solutions division (HPS).

The company's main assets is some cash on deposit with the Saint-Gobain Limited Treasury department in the UK.

The balance sheet position on page 8 of the financial statements shows the company's financial position at the year end.

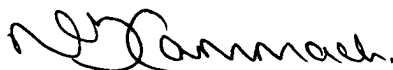
PRINCIPAL RISKS AND UNCERTAINTIES

The company no longer trades and is in the process of disposing of all its assets and settling its liabilities.

ENVIRONMENT

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. The company operates in accordance with group policies, as noted in Compagnie de Saint- Gobain's Annual Report, which does not form part of this report.

ON BEHALF OF THE BOARD:



.....
N J Cammack - Director

Date: 26 July 2019

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

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

PRINCIPAL ACTIVITY

The company no longer trades and is in the process of disposing of its assets and settling its liabilities.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

M S Chaldecott has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

P E A Dupin - resigned 31 July 2018

S Héraud - appointed 31 July 2018 - resigned 31 December 2018

N J Cammack - appointed 31 December 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business. As noted on page 4 the company accounts are not prepared on going concern basis as the company no longer trades and is in the process of disposing of all of the assets and settling its liabilities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

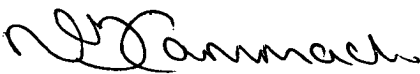
STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:



.....
N J Cammack - Director

Date: 26 July 2019

Independent Auditor's Report to the Members of Saint-Gobain Quartz Limited

Opinion

We have audited the financial statements of Saint-Gobain Quartz Limited (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion

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

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

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

Emphasis of matter – Non going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Independent Auditor's Report to the Members of
Saint-Gobain Quartz Limited**

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 26/7/19

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

	Notes	2018 £'000	2017 £'000
TURNOVER		-	-
Administrative expenses		<u>11</u>	<u>-</u>
		11	-
Other operating income	2	<u>678</u>	<u>-</u>
OPERATING PROFIT		689	-
Income from shares in group undertakings	7	2,187	-
Interest receivable and similar income	4	<u>7</u>	<u>2</u>
PROFIT BEFORE TAXATION	5	2,883	2
Tax on profit	6	<u>(10)</u>	<u>2</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,873</u>	<u>4</u>

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

	2018 £'000	2017 £'000
PROFIT FOR THE YEAR	2,873	4
OTHER COMPREHENSIVE INCOME OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,873</u>	<u>4</u>

Balance Sheet
31 December 2018

	Notes	2018. £'000	2017 £'000
FIXED ASSETS			
Investments	7	-	2,682
CURRENT ASSETS			
Debtors	8	6,317	765
CREDITORS			
Amounts falling due within one year	9	(4)	(12)
NET CURRENT ASSETS		<u>6,313</u>	<u>753</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,313	3,435
CREDITORS			
Amounts falling due after more than one year	10	(20)	(20)
PROVISIONS FOR LIABILITIES	12	(5)	-
NET ASSETS		<u>6,288</u>	<u>3,415</u>
CAPITAL AND RESERVES			
Called up share capital	13	24,396	24,396
Share premium	14	1,556	1,556
Capital redemption reserve	14	82	82
Retained earnings	14	(19,746)	(22,619)
SHAREHOLDERS' FUNDS		<u>6,288</u>	<u>3,415</u>

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



.....
N J Cammack - Director

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

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2017	24,396	(22,622)	1,556	82	3,412
Changes in equity					
Total comprehensive income	-	4	-	-	4
Deferred tax - share based payments	-	(1)	-	-	(1)
Balance at 31 December 2017	<u>24,396</u>	<u>(22,619)</u>	<u>1,556</u>	<u>82</u>	<u>3,415</u>
Changes in equity					
Total comprehensive income	-	2,873	-	-	2,873
Balance at 31 December 2018	<u>24,396</u>	<u>(19,746)</u>	<u>1,556</u>	<u>82</u>	<u>6,288</u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparation

Saint-Gobain Quartz Limited (the "company") is a company incorporated in the United Kingdom.

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

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements as the results of its operations are consolidated with those of its ultimate parent undertaking, Compagnie de Saint-Gobain. These financial statements present information about the company as an individual undertaking and not about its group.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- o A Cash Flow Statement and related notes;
- o Disclosures in respect of transactions with wholly owned subsidiaries;
- o Disclosures in respect of capital management;
- o The effects of new but not yet effective IFRSs;
- o Disclosures in respect of the compensation of Key Management Personnel;
- o Comparative period reconciliations for tangible and intangible assets.

As the consolidated financial statements of Compagnie de Saint-Gobain (the company's ultimate parent company) include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- o IFRS 2 Share Based Payments in respect of group settled share based payments;
- o Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets;
- o Disclosures required by IFRS 5 Non-current Assets Held for Sales and Discontinued Operations in respect of the cash flows of discontinued operations;
- o Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill;
- o Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale and in the case of plant, machinery and equipment at deemed cost. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

The financial statements have been not been prepared on a going concern basis. The company no longer trades and is in the process of disposing of all its assets and settling its liabilities.

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

1. ACCOUNTING POLICIES – continued

2.

Going concern

The directors expect the company to be placed into members' voluntary liquidation at the earliest possible opportunity. These financial statements have therefore not been prepared on a going concern basis.

Investments in debt and equity securities

Investments in subsidiaries are carried at cost less impairment.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, 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 nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

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

1. ACCOUNTING POLICIES - continued

Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Impairment

The carrying amounts of the company's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Share-based payments

Saint-Gobain operates stock option and performance share plans which are decided by the Board of Directors of Compagnie de Saint-Gobain, the ultimate holding company. Full details of these share based payments can be found in the annual report of Compagnie de Saint-Gobain.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options.

The Saint-Gobain group also offers opportunities for employees to purchase shares through a monthly tax-free plan and an annual discounted purchase plan. The impact of these schemes is not material to the company in 2017.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue

Revenue consists of sales less returns and allowances, excluding value added tax. Turnover is recognised at the point of dispatch.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease 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 profit and loss account on the date the entity's right to receive payments is established.

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

1. ACCOUNTING POLICIES - continued

Non-current assets held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the company's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented on the profit and loss account (including the comparative period) as a column analysing the post tax profit or loss of the discontinued operation and the post tax gain or loss recognised on the remeasurement to fair value less costs to sell or on disposal of the assets/disposal groups constituting discontinued operations.

2. OTHER OPERATING INCOME

	2018	2017
	£'000	£'000
Profit on liquidation of subsidiary (note 7)	<u>678</u>	<u>-</u>

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2018 nor for the year ended 31 December 2017.

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Directors' remuneration

The directors of the company are also directors of several other companies within the Saint-Gobain group, and their emoluments are borne by these other companies. They do not consider that their duties in respect of the company take up a significant proportion of their time. No directors receive any emoluments from the company, nor are they members of any pension scheme in which the company has an interest. Accordingly, the directors do not believe that it is practicable to apportion the amount of their remuneration between their services as directors of the company and their services to other companies in the group.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£'000	£'000
Interest from other group companies	<u>7</u>	<u>2</u>

5. PROFIT BEFORE TAXATION

Auditor's remuneration of £2,500 (2017: £2,400) has been recorded within the financial statements of another group company, Saint-Gobain Limited.

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

6. TAXATION

Analysis of tax expense/(income)

	2018 £'000	2017 £'000
Current tax:		
Tax	4	-
Deferred tax	<u>6</u>	<u>(2)</u>
Total tax expense/(income) in profit and loss account	<u>10</u>	<u>(2)</u>

Factors affecting the tax expense

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

	2018 £'000	2017 £'000
Profit before income tax	<u>2,884</u>	<u>2</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	548	-
Effects of:		
Non deductible expenses/income	6	(2)
Dividend income non taxable	(415)	-
Profit on sale of assets non taxable	(129)	-
	<u>10</u>	<u>(2)</u>
Tax expense/(income)	<u>10</u>	<u>(2)</u>

7. INVESTMENTS

The company has the following investments in subsidiaries:

	Registered office	Class of shares held	Ownership 2018	2017	Net Book Value 2018 £'000	2017 £'000
Saint Gobain Quartz (Jinzhou)	1*	Ordinary	-	90%	<u>-</u>	<u>2,682</u>

*1 - 29 Yulu Street, High Technology Ind. Development Zone, Zinzhou, 121013, China

Saint Gobain Quartz (Jinzhou) was liquidated on 22nd October 2018. Immediately before liquidation it paid a dividend of £2,187,000. Company's profit on liquidation was £678,000.

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

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Amounts owed by group undertakings	6,317	764
Deferred tax asset	-	1
	<u>6,317</u>	<u>765</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Non-trade payables and accrued expenses	-	12
Tax	4	-
	<u>4</u>	<u>-</u>

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

	2018	2017
	£'000	£'000
Preference shares (see note 11)	20	20
	<u>20</u>	<u>20</u>

11. FINANCIAL LIABILITIES - BORROWINGS

	2018	2017
	£'000	£'000
Non-current:		
Preference shares	20	20
	<u>20</u>	<u>20</u>

Terms and debt repayment schedule

	2-5 years
	£'000
Preference shares	20
	<u>20</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£'000	£'000
80,000	Non-cumulative preference	0.25	20	20
			<u>20</u>	<u>20</u>

12. PROVISIONS FOR LIABILITIES

	2018	2017
	£'000	£'000
Deferred tax	5	-
	<u>5</u>	<u>-</u>

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

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £'000	2017 £'000
97,585,015	Ordinary	0.25	<u>24,396</u>	<u>24,396</u>

14. RESERVES

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2018	(22,619)	1,556	82	(20,981)
Profit for the year	<u>2,873</u>	-	-	<u>2,873</u>
At 31 December 2018	<u>(19,746)</u>	<u>1,556</u>	<u>82</u>	<u>(18,108)</u>
	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1 January 2017	(22,622)	1,556	82	(20,984)
Profit for the year	4	-	-	4
Deferred tax - share based payments	<u>(1)</u>	-	-	<u>(1)</u>
At 31 December 2017	<u>(22,619)</u>	<u>1,556</u>	<u>82</u>	<u>(20,981)</u>

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

15. EMPLOYEE BENEFIT OBLIGATIONS

The company transferred its interest in the pension scheme during 2010 and no longer has any liabilities or cost for the pension scheme.

Share-based payments

Compagnie de Saint-Gobain stock option plans

Compagnie de Saint-Gobain has stock option and performance share plans available to certain employees of Saint-Gobain Quartz Limited. Under the stock option plans, the Board of Directors of Compagnie de Saint-Gobain may grant options which entitle the holder to obtain Saint-Gobain shares either at nil cost or at a price based on the average share price for the 20 trading days preceding the grant date. Options are equity settled and vest over a period of three or four years with full vesting occurring at the end of the vesting period. Options must be exercised within ten years from the date of the grant.

The performance share plans are subject to service and performance conditions. The fair value is based on the Saint-Gobain share price on the grant date less the value of dividends not payable during the vesting period and a discount on restricted stock, calculated in a similar manner as for the Group Savings Plan.

All rights to options and performance shares are forfeited if the employee terminates employment with the group, unless expressly agreed otherwise by the Chairman of Compagnie de Saint-Gobain together with the Appointments Committee of the Board of Directors.

The stock options outstanding at 31 December 2018 were:

	€4 par value shares	Average exercise price (in Euros)
Options outstanding at 31 December 2017	2,433	28.62
Options outstanding at 31 December 2018	-	-

The credit relating to stock options recorded in the profit and loss account amounted to £nil in 2018 (2017: £2,000 dues to deferred tax credit).

The average share price of Compagnie de Saint-Gobain in 2018 was €47.76 (2017: €37.92).

There were no options outstanding at the year end.

16. CONTINGENT LIABILITIES

There were no contingencies outstanding at the year end (2017: none).

17. CAPITAL COMMITMENTS

At 31 December 2018, the company had capital commitments of £nil (2017: £nil).

18. ULTIMATE CONTROLLING PARTY

The ultimate parent company and controlling party is Compagnie de Saint-Gobain, which is incorporated in France and listed on the Paris, London, Frankfurt and other major European stock exchanges.

The largest group in which the results of the company are consolidated is that headed by Compagnie de Saint-Gobain, incorporated in France. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards. No other group financial statements include the results of the company.

Copies of the Compagnie de Saint-Gobain group financial statements may be obtained from the Corporate Secretary at the company's registered address, Les Miroirs, 18 Avenue d'Alsace, 92096 Paris La Defense, France.

19. ACCOUNTING ESTIMATES AND JUDGEMENTS

The assumptions and judgements involved in the accounting for share based payments are disclosed in note 15. In the opinion of the directors, there are no other accounting estimates and judgements.