

**Nimbus Diamond Tool and Machine  
Company Limited**

**Annual report and accounts  
for the year ended 31 December 2001**

**REVISED ACCOUNTS**

Registered no: 1407607



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for the year ended 31 December 2001**

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# **Nimbus Diamond Tool and Machine Company Limited**

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## **Directors and advisers**

### **Directors**

M D Haydon  
J Russell  
R W J Hall  
D J Meer  
K J Hollingdale  
E K Gibb (appointed 28 February 2002)

### **Secretary and registered office**

M D Haydon  
Saint-Gobain Abrasives Ltd  
Doxey Road  
Stafford  
ST16 1EA

### **Bankers**

National Westminster PLC  
15 Bishopsgate  
London  
EC2P 2AP

## **Directors' report for the year ended 31 December 2001**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2001.

### **Principal activities**

The company's principal activities are the manufacture and distribution of diamond tools and equipment and will continue to be so in the foreseeable future.

### **Sale of the company**

As part of the re-organisation of the Abrasives division of Saint-Gobain, as at close of business on the 31 December 2000 the business and net assets of Nimbus Diamond Tool and Machine Company Limited were sold to Saint Gobain Abrasives Limited, a fellow group company.

### **Results and dividends**

The company did not trade during the year. The directors do not recommend payment of dividend (2000 : £ Nil).

### **Directors**

The directors who served during the year and up to the date of signing these accounts were:

J Russell  
M D Haydon  
R W J Hall  
D J Meer  
K J Hollingdale  
E K Gibb (appointed 28 February 2002)

### **Directors' interests in shares in the company**

No director had a beneficial interest in the shares of Nimbus Diamond Tool and Machine Company Limited or in the shares of Compagnie de Saint-Gobain, the ultimate parent company.

**Directors' report for the year ended 31 December 2001****Directors' interests in loan notes of Abrasives plc**

R W J Hall is also a director of Unicorn International plc and accordingly his interests in the loan stock of Abrasives plc are disclosed in that company's accounts.

The interests of M D Haydon and K J Hollingdale in the £1 loan stock of Abrasives PLC are set out below:

|                 | 2001<br>Number | 2000<br>Number |
|-----------------|----------------|----------------|
| M D Haydon      | 37,061         | Nil            |
| K J Hollingdale | Nil            | 5,940          |

No other directors had any interests in the loan stock or any other shares of the company or its parent companies.

**Employees**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

*Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.*

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made where possible for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**Research and development**

The company is committed to research and development activities in order to secure its position as a market leader in the diamond tool products industry. The expenditure during the year is set out in note 3 to the financial statements.

**Political and charitable donations**

During the year the company made charitable donations of £Nil (2000 : £5,029).

## **Directors' report for the year ended 31 December 2001**

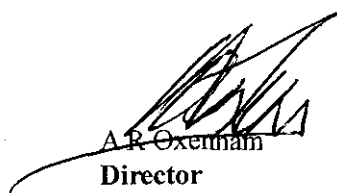
### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period that 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.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

**By order of the board**



A.R. Oxenham  
**Director**

Revised : 04 August 2006

**Profit and loss account for the year ended 31 December 2001**

|                                                      | Notes | 2001<br>£'000   | 2000<br>£'000     |
|------------------------------------------------------|-------|-----------------|-------------------|
| Turnover                                             | 2     | -               | 9,320             |
| Cost of sales                                        |       | -               | (6,275)           |
| <b>Gross profit</b>                                  |       | <u>-</u>        | <u>3,045</u>      |
| Distribution costs                                   |       | -               | (1,054)           |
| Administrative expenses                              |       | -               | (687)             |
| Other                                                |       | -               | (461)             |
| <b>Operating profit</b>                              | 3     | <u>-</u>        | <u>843</u>        |
| Interest receivable and similar income               | 6     | -               | 4                 |
| Interest payable and similar charges                 | 7     | -               | (78)              |
| <b>Profit on ordinary activities before taxation</b> |       | <u>-</u>        | <u>769</u>        |
| Tax on profit on ordinary activities                 | 8     | -               | (230)             |
| <b>Retained profit for the year</b>                  |       | <u><u>-</u></u> | <u><u>539</u></u> |

Movements on reserves are set out in note 11.

The company did not trade during the year. On 31 December 2000 the net assets and business of Nimbus Diamond Tool and Machine Company were sold to Saint-Gobain Abrasives Limited a fellow group company.

**Balance sheet at 31 December 2001**

|                                              | Notes | 2001<br>£'000 | 2000<br>£'000 |
|----------------------------------------------|-------|---------------|---------------|
| <b>Current assets</b>                        |       |               |               |
| Debtors: amounts falling due within one year | 9     | <u>2,719</u>  | <u>2,719</u>  |
|                                              |       | 2,719         | 2,719         |
| <b>Net assets</b>                            |       | <u>2,719</u>  | <u>2,719</u>  |
| <b>Capital and reserves</b>                  |       |               |               |
| Called up share capital                      | 10    | -             | -             |
| Profit and loss account                      | 11    | <u>2,719</u>  | <u>2,719</u>  |
| <b>Equity shareholders' funds</b>            | 12    | <u>2,719</u>  | <u>2,719</u>  |

As at the close of business on 31 December 2000 the business and net assets of Nimbus Diamond Tool and Machine Company Limited were sold to Saint-Gobain Abrasives Limited a fellow Group Company.

For the year ended 31 December 2001 the company was entitled to the exemption under section 249 AA (1) of The Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249 (B) (2) of The Companies Act 1985.

The directors acknowledge their responsibility for:

(i) ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts 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 its profit and loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 5 to 12 were approved by the board of directors on 18 October 2002. Revised accounts were approved by the board of directors on 4 August 2006 and were signed on its behalf by

  
A R Oxenham  
Director

**Notes to the financial statements  
for the year ended 31 December 2001****1. Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been consistently applied is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

The company is a wholly owned subsidiary of Compagnie de Saint-Gobain, a company incorporated in France which prepares consolidated accounts and accordingly the company has taken advantage of the exemption in FRS 1 (Revised 1996) not to publish its own cash flow statement.

**Turnover**

Turnover, which excludes sales taxes, intra divisional sales and trade discounts, represents the invoiced value of goods and services supplied.

**Development expenditure**

Research and development expenditure is written off as incurred. Research laboratory equipment is written off over its expected life.

**Fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

|                     | %  |
|---------------------|----|
| Freehold buildings  | 2  |
| Plant and machinery | 10 |
| Motor Vehicles      | 25 |

Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

**Notes to the financial statements  
for the year ended 31 December 2001 (continued)**

**1. Principal accounting policies (continued)**

**Leasing and hire purchase commitments**

Assets held under hire purchase contracts are treated as if they had been purchased outright and are capitalised. The corresponding obligations under these contracts are included in creditors. Payments under such contracts are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account on a straight-line basis.

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

**Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes all direct handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Foreign currencies**

All foreign exchange differences arising on transactions undertaken in foreign currencies are taken to the profit and loss account in the period in which they arise.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

**Pension costs and other post retirement benefits**

The company operates a defined contribution pension scheme. The charge to the profit and loss account represents the premiums payable for the year.

The company provides no other post retirement benefits to its employees.

**Related party disclosure**

As the company is a wholly owned subsidiary of Compagnie de Saint-Gobain, it has not disclosed transactions with other group companies by virtue of the exemption contained in paragraph 3 of FRS 8.

**Notes to the financial statements  
for the year ended 31 December 2001 (continued)**

**2. Analysis of turnover**

The company's turnover is attributable to its principal activity. The analysis by geographical area of the company's turnover is set out below:

| <b>Sales by destination</b> | <b>2001<br/>£'000</b> | <b>2000<br/>£'000</b> |
|-----------------------------|-----------------------|-----------------------|
| <b>Geographical area</b>    |                       |                       |
| United Kingdom              | -                     | 8,290                 |
| Rest of Europe              | -                     | 679                   |
| North America               | -                     | 15                    |
| Asia                        | -                     | 27                    |
| Rest of world               | -                     | 309                   |
|                             | <u>-</u>              | <u>9,320</u>          |

**3. Operating profit**

|                                                                | <b>2001<br/>£'000</b> | <b>2000<br/>£'000</b> |
|----------------------------------------------------------------|-----------------------|-----------------------|
| <b>Operating profit is stated after (crediting)/charging :</b> |                       |                       |
| Depreciation charge for the year                               |                       |                       |
| Tangible owned fixed assets                                    | -                     | 177                   |
| Tangible fixed assets held under finance leases                | -                     | 58                    |
| Research and development expenditure                           | -                     | 335                   |
| Auditors' remuneration – audit fees                            | -                     | 14                    |
| Hire of other assets – operating leases                        | -                     | 44                    |
|                                                                | <u>-</u>              | <u>44</u>             |

**4. Directors' emoluments**

|                                                         | <b>2001<br/>£'000</b> | <b>2000<br/>£'000</b> |
|---------------------------------------------------------|-----------------------|-----------------------|
| Aggregate emoluments                                    | -                     | 245                   |
| Company pension contributions to money purchase schemes | -                     | 10                    |
|                                                         | <u>-</u>              | <u>255</u>            |
| <b>Highest paid director</b>                            |                       |                       |
| Aggregate emoluments                                    | -                     | 75                    |
| Company pension contributions to money purchase schemes | -                     | -                     |
|                                                         | <u>-</u>              | <u>75</u>             |

No director waived emoluments in respect of the period ended 31 December 2001.

Retirement benefits are accruing to 3 (2000 : 3) directors under the company's defined contribution scheme.

R W J Hall is a director of Unicorn International PLC, the company's immediate parent company; and was remunerated by that company. The cost of all director's emoluments are included in the accounts of Saint-Gobain Abrasives Limited.

**Notes to the financial statements  
for the year ended 31 December 2001 (continued)**

**5. Employee information**

The average monthly number of persons (including directors) employed by the company are included in the accounts of Saint-Gobain Abrasives Limited.

|                                            | 2001<br>Number | 2000<br>Number |
|--------------------------------------------|----------------|----------------|
| <b>By function</b>                         |                |                |
| Manufacturing                              | -              | 67             |
| Sales and administration                   | -              | 30             |
| Research and development                   | -              | 8              |
|                                            | -              | 105            |
|                                            |                |                |
|                                            | 2001<br>£'000  | 2000<br>£'000  |
| <b>Staff costs (for the above persons)</b> |                |                |
| Wages and salaries                         | -              | 2,112          |
| Social security costs                      | -              | 192            |
| Other pension costs (see note 15)          | -              | 76             |
|                                            | -              | 2,380          |

**6. Interest receivable and similar income**

|                     | 2001<br>£'000 | 2000<br>£'000 |
|---------------------|---------------|---------------|
| Interest receivable | -             | 4             |

**7. Interest payable and similar charges**

|                                      | 2001<br>£'000 | 2000<br>£'000 |
|--------------------------------------|---------------|---------------|
| Amount payable to group undertakings | -             | 70            |
| Hire purchase contracts              | -             | 8             |
|                                      | -             | 78            |

**Notes to the financial statements  
for the year ended 31 December 2001**

**8. Taxation**

|                                                   | 2001<br>£'000 | 2000<br>£'000 |
|---------------------------------------------------|---------------|---------------|
| United Kingdom corporation tax at 30% (2000: 30%) |               |               |
| Current                                           | -             | 227           |
| Under/(Over) provision in prior years             | -             | 3             |
|                                                   | <u>-</u>      | <u>230</u>    |

**9. Debtors**

|                                     | 2001<br>£'000 | 2000<br>£'000 |
|-------------------------------------|---------------|---------------|
| Amounts falling due within one year |               |               |
| Amounts owed by group undertakings  | <u>2,719</u>  | <u>2,719</u>  |
|                                     | <u>2,719</u>  | <u>2,719</u>  |

**10. Called up share capital**

|                                                             | 2001<br>£     | 2000<br>£     |
|-------------------------------------------------------------|---------------|---------------|
| Authorised                                                  |               |               |
| 10,000 Ordinary shares of £1 each                           | <u>10,000</u> | <u>10,000</u> |
| Allotted, called up and fully paid                          |               |               |
| 41 Ordinary shares of £1 each (2000: 41 £1 Ordinary shares) | <u>41</u>     | <u>41</u>     |

**11. Profit and loss account**

|                               | Profit and<br>loss account<br>£'000 |
|-------------------------------|-------------------------------------|
| At 1 January 2001             | 2,719                               |
| Profit for the financial year | <u>-</u>                            |
| At 31 December 2001           | <u>2,719</u>                        |

**12. Reconciliation of movement in equity shareholders' funds**

|                                    | 2001<br>£'000 | 2000<br>£'000 |
|------------------------------------|---------------|---------------|
| Opening equity shareholders' funds | 2,719         | 2,180         |
| Profit for the financial year      | -             | 539           |
| Closing equity shareholders' funds | <u>2,719</u>  | <u>2,719</u>  |

**13. Revised accounts**

The revised accounts replace the original accounting documents for the financial year in question.

In respect of the revised accounts, these are now the statutory accounts of the Company for the year in question.

The revised accounts have been prepared as at the date of the original accounting documents and not at the date of the revision.

The defect in the original accounts, which caused them not to comply with the requirements of the Companies Act 1985, was that the number of "Allocated, called up and fully paid-up Ordinary shares" was originally disclosed as 68, the correct, revised number is 41.

**14. Ultimate and immediate parent company**

The immediate parent company is Saint-Gobain Abrasives Limited (formerly Unicorn Abrasives UK Limited), which is incorporated in England and Wales.

The company's ultimate parent company and controlling party is Compagnie de Saint-Gobain, which is incorporated in France. Copies of the parent's consolidated financial statements may be obtained from:

*Saint-Gobain  
Investor Relations Department  
Les Miroirs F-92096 La Défense Cedex  
France.*