

Company Registration No. 00098076 (England and Wales)

PILKINGTONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

PAGES FOR FILING WITH REGISTRAR

PILKINGTONS LIMITED

COMPANY INFORMATION

Directors	Mr J R Pilkington Mr R L Pilkington Mr K E Elford
Secretary	Mr R L Pilkington
Company number	00098076
Registered office	Belgrave Court Caxton Road Fulwood Preston PR2 9PL
Accountants	Moore and Smalley LLP Richard House 9 Winckley Square Preston PR1 3HP

PILKINGTONS LIMITED

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PILKINGTONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		940,846		944,576
Investment properties	5		263,886		263,886
Investments	6		755,207		688,155
			<u>1,959,939</u>		<u>1,896,617</u>
Current assets					
Stocks		43,076		45,508	
Debtors	7	284,419		381,245	
Cash at bank and in hand		776,715		652,137	
		<u>1,104,210</u>		<u>1,078,890</u>	
Creditors: amounts falling due within one year	8	<u>(183,917)</u>		<u>(230,102)</u>	
Net current assets			<u>920,293</u>		<u>848,788</u>
Total assets less current liabilities			<u>2,880,232</u>		<u>2,745,405</u>
Provisions for liabilities			<u>(86,959)</u>		<u>(82,906)</u>
Net assets			<u>2,793,273</u>		<u>2,662,499</u>
Capital and reserves					
Called up share capital	9		3,318		3,318
Capital redemption reserve			2,192		2,192
Profit and loss reserves			<u>2,787,763</u>		<u>2,656,989</u>
Total equity			<u>2,793,273</u>		<u>2,662,499</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

PILKINGTONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 27 July 2017 and are signed on its behalf by:

Mr J R Pilkington
Director

Mr R L Pilkington
Director

Company Registration No. 00098076

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Pilkingtons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Belgrave Court, Caxton Road, Fulwood, Preston, PR2 9PL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Pilkingtons Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

In the opinion of the directors, the company and its subsidiaries comprise a small group. the company has therefore taken advantage of the exemption provided by the Companies Act 2006 not to prepare group consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover comprises the value of work performed, goods sold and services provided excluding Value Added Tax. Amounts in respect of contracts included in turnover, net of payments received on account, are shown in debtors as amounts recoverable on contracts. Cash received in excess of the value of work done is shown in creditors. An appropriate proportion of the anticipated contract profit is recognised in the profit and loss account based on the stage of completion of the work and the expected end of life outcome. Provision is made for anticipated contract losses. Pre-contract costs incurred before it is virtually certain that a contract will be awarded are charged to the profit and loss account. Once virtually certain of contract award, costs are held as amounts recoverable on contracts and form part of the accounting for the contract as a whole.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are historically recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life as follows:

Freehold property	1% straight line
Plant & machinery	25% reducing balance
Fixtures & fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Listed investments are stated at fair value at the balance sheet date. The profit and loss account includes the net gains and losses arising on disposals in the year as well as investment income receivable on the investments and gains and losses arising on revaluations at the balance sheet date.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

All the company's financial liabilities are basic financial liabilities.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2015 - 8).

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2016 and 31 December 2016	36,853
Amortisation and impairment	
At 1 January 2016 and 31 December 2016	36,853
Carrying amount	
At 31 December 2016	-
At 31 December 2015	-

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	1,099,561	381,358	1,480,919
Additions	-	17,426	17,426
Disposals	-	(9,750)	(9,750)
At 31 December 2016	1,099,561	389,034	1,488,595
Depreciation and impairment			
At 1 January 2016	175,930	360,413	536,343
Depreciation charged in the year	9,977	7,805	17,782
Eliminated in respect of disposals	-	(6,376)	(6,376)
At 31 December 2016	185,907	361,842	547,749
Carrying amount			
At 31 December 2016	913,654	27,192	940,846
At 31 December 2015	923,631	20,945	944,576

5 Investment property

	2016
	£
Fair value	
At 1 January 2016 and 31 December 2016	263,886

The investment properties are carried at market value as determined by the directors.

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016	2015
	£	£
Cost	105,129	105,129
Accumulated depreciation	-	-
	<u>105,129</u>	<u>105,129</u>
Carrying amount	<u>105,129</u>	<u>105,129</u>

6 Fixed asset investments

	2016	2015
	£	£
Investments	755,207	688,155
	<u>755,207</u>	<u>688,155</u>

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 January 2016	125,840	687,055	812,895
Additions	-	19,872	19,872
Valuation changes	-	63,969	63,969
Disposals	-	(16,789)	(16,789)
	<u>125,840</u>	<u>754,107</u>	<u>879,947</u>
At 31 December 2016	125,840	754,107	879,947
Impairment			
At 1 January 2016 & 31 December 2016	124,740	-	124,740
	<u>124,740</u>	<u>-</u>	<u>124,740</u>
Carrying amount			
At 31 December 2016	1,100	754,107	755,207
	<u>1,100</u>	<u>754,107</u>	<u>755,207</u>
At 31 December 2015	1,100	687,055	688,155
	<u>1,100</u>	<u>687,055</u>	<u>688,155</u>

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	107,375	120,023
Corporation tax recoverable	10,000	10,000
Other debtors	77,748	118,479
	<u>195,123</u>	<u>248,502</u>
Amounts falling due after more than one year:		
Corporation tax recoverable	10,000	20,000
Deferred tax asset	79,296	112,743
	<u>89,296</u>	<u>132,743</u>
Total debtors	<u>284,419</u>	<u>381,245</u>

8 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	43,680	66,279
Amounts due to group undertakings	1,100	1,100
Taxation and social security	25,778	31,204
Other creditors	113,359	131,519
	<u>183,917</u>	<u>230,102</u>

9 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
10 A Ordinary shares of £1 each	10	10
580 B Ordinary shares of £1 each	580	580
400 C Ordinary shares of £1 each	400	400
2,328 D Ordinary shares of £1 each	2,328	2,328
	<u>3,318</u>	<u>3,318</u>

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Directors' transactions

Mr R L Pilkington has a loan account with the company. The loan account was overdrawn on 1 January 2016 by £40,000 (1 January 2015 £80,000) and was fully repaid during the year. The balance at 31 December 2016 was therefore £nil (31 December 2015 £40,000). During the year repayments of £40,000 were received from Mr R L Pilkington (£40,000 during the year ended 31 December 2015). This loan was unsecured. Interest of 3.25% per annum has been charged by the company on this loan during the current and previous period.

Mr J R Pilkington has a loan account with the company. The loan account has been overdrawn by £40,000 throughout the current and previous year. This loan is unsecured. Interest of 3.25% per annum has been charged by the company on this loan.

Mr R L Pilkington and Mr J R Pilkington are both directors of the company.

11 Reconciliations on adoption of FRS 102

Reconciliation of equity

		1 January 2015 £	31 December 2015 £
	Notes		
Equity as reported under previous UK GAAP		2,362,697	2,365,558
Adjustments arising from transition to FRS 102:			
Reversal of deferred tax discount	1	29,508	21,399
Revaluation of investments	2	303,797	355,648
Deferred tax on investment property gains	3	(19,515)	(19,108)
Deferred tax on other investment gains	4	(50,586)	(60,998)
Equity reported under FRS 102		<u>2,625,901</u>	<u>2,662,499</u>

Notes to reconciliations on adoption of FRS 102

1. Reversal of deferred tax discount

Prior to applying FRS102, the company discounted the deferred tax asset which was recognised in relation to available tax losses. Under FRS102, deferred tax discounts are not permitted.

On transition the company has therefore reversed the deferred tax discount of £29,508 which had been recognised at the date of transition. This deferred tax discount had decreased to £21,399 by the comparative year end and therefore the movement for the year of £8,109 has also been reversed in the comparative profit and loss account.

In addition, deferred tax previously recognised as a debtor has been reallocated to offset the liability created on recognition of deferred tax as described in notes 3 and 4 below. This presentation change did not affect the net assets of the company.

PILKINGTONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Reconciliations on adoption of FRS 102

(Continued)

2. Revaluation of investments

Prior to applying FRS102, the company accounted for investments at cost. Under FRS 102, the investments must be accounted for at fair value through the profit and loss account.

On transition the company has therefore adjusted for an increase in fair value of financial assets of £303,797. The comparative period profit and loss account has been adjusted to include net unrealised gains during the year of £51,851, a cumulative increase to 31 December 2015 of £355,648.

3. Deferred tax on investment property gains

Prior to applying FRS102, the company did not have to provide for deferred taxation in respect of investment properties carried at fair value. FRS102 requires the recognition of deferred taxation on the difference between each property's fair value and its base cost for taxation purposes.

As a consequence, a deferred taxation liability of £19,515 has been recognised at 1 January 2015, with the liability being decreased by £407 in the year ended 31 December 2015 to £19,108.

4. Deferred tax on other investment gains

Prior to applying FRS102, the company accounted for investments at cost. Under FRS 102, the investments must be accounted for at fair value through the profit and loss account and deferred tax must be provided for on all timing differences.

On transition the company has accounted for a deferred tax liability in relation to the taxable gains to date on its investments of £50,586. The comparative period profit and loss account has been adjusted to include additional deferred tax for that year of £10,412, a cumulative liability at 31 December 2015 of £60,998.

Certain of these investments fall liable to tax on gains in the year. The cumulative gains on such investments at transition was £21,093 and this had increased to £33,770 by 31 December 2015. As this tax liability has arisen from a change of accounting basis to FRS102, the tax payable can be spread over ten years from the year ended 31 December 2016.

5. Investment property revaluations

Prior to applying FRS102 and in line with UK GAAP at the time, the company treated any revaluations on investment properties as an increase or decrease to the revaluation reserve.

FRS102 requires that any movements on investment property valuations are recognised as a pre taxation item, on the face of the profit and loss account. The revaluation reserve in respect of these properties amounting to £158,757 has therefore been transferred to the profit and loss account on transition to FRS102.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.