

PILKINGTON PROPERTIES LIMITED

(Company Registration Number: 142655)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

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PILKINGTON PROPERTIES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2009

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2009.

Results and dividend

The loss for the year on ordinary activities before taxation amounted to £772,294 (2008: loss of £643,000), taxation thereon amounted to £nil (2008: tax credit of £9,000), leaving a loss after taxation amounting to £772,294 (2008: loss of £634,000). The directors do not recommend payment of a dividend (2008: £nil). The loss for the financial year of £772,294 after taxation will be transferred to reserves.

Principal activities

The principal activity of the company is property management.

Review of business and future developments

The directors consider that in the conditions prevailing during the year, the level of the company's business and its financial position at the year end were satisfactory. The directors do not expect any significant change in the company's business in the future.

Directors

The following were directors of the company during the year:

Mr P K McKeon
Mr P J Ravenscroft

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in place as at the date of approving the directors' report.

Taxation status

The company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

PILKINGTON PROPERTIES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)

Disclosure of information to auditors

Each director at the date of the approval of the financial statements has confirmed:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) they have taken steps to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those 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 that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

PILKINGTON PROPERTIES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)

Auditors

In accordance with part 13 of the Companies Act 2006, the company is no longer required to hold an Annual General Meeting. Ernst & Young shall be deemed to be re-appointed as auditors.

By order of the Board



I M Smith
Secretary

2 October

2009

PILKINGTON PROPERTIES LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PILKINGTON PROPERTIES LIMITED**

We have audited the company's financial statements for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of the Movement in Shareholders' Funds, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

PILKINGTON PROPERTIES LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PILKINGTON PROPERTIES LIMITED (CONTINUED)**

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP
Ernst & Young LLP
Registered auditor
Manchester

2 October 2009

PILKINGTON PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 £000	2008 £000
Turnover – continuing operations		268	302
Cost of sales		(764)	(582)
Gross loss		(496)	(280)
Administrative expenses		(247)	(446)
Operating loss – continuing operations	3	(743)	(726)
Profit on disposal of fixed assets	4	-	58
Loss before interest		(743)	(668)
Net interest	5	(29)	25
Loss on ordinary activities before taxation		(772)	(643)
Taxation on loss on ordinary activities	7	-	9
Loss for the financial year	15	(772)	(634)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2009

There were no recognised gains and losses for the year other than the loss for the years ended 31 March 2009 and 31 March 2008.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 2009

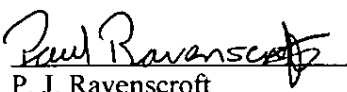
	2009 £000	2008 £000
Loss for the year attributable to shareholders	(772)	(634)
Net decrease in shareholders' funds for the year	(772)	(634)
Shareholders' funds at beginning of year	1,780	2,414
Shareholders' funds at end of year	1,008	1,780

PILKINGTON PROPERTIES LIMITED

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 £000	2008 £000
Fixed assets			
Tangible assets	8	558	580
Investments			
Investments in subsidiary undertakings	9	-	-
Current assets			
Debtors	10	4,330	4,444
Cash at bank and in hand		223	67
		4,553	4,511
Creditors – amounts falling due within one year	11	(3,146)	(2,316)
Net current assets		1,407	2,195
Total assets less current liabilities		1,965	2,775
Provision for liabilities	12	957	995
Capital and reserves			
Share capital	13	19,788	19,788
Revaluation reserve	14	225	225
Profit and loss account	14	(19,005)	(18,233)
Equity shareholders' funds		1,008	1,780
		1,965	2,775

The financial statements on pages 7 to 17 were approved by the Board of Directors on 2 October 2009 and were signed on its behalf by:


P. J. Ravenscroft
Director

PILKINGTON PROPERTIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

1 Principal accounting policies

The accounts are prepared on a going concern basis under the historical cost convention (as modified by the revaluation of certain tangible fixed assets) and in accordance with the Companies Act 1985 and applicable accounting standards.

A summary of the major accounting policies, which have been consistently applied, except as stated in note 2, is set out below.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Cash flow

In accordance with paragraph 5 (a) of FRS1 (revised), the company is not required to publish a cash flow statement.

Tangible assets and depreciation

Tangible assets are stated at historical cost or, in certain cases, at valuation. Investment properties are included in the balance sheet at their open market value at the balance sheet date on the basis of an annual professional valuation.

Investment properties are not depreciated. In accordance with SSAP 19, the investment property is revalued annually (see note 8) and the surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of the freehold investment property. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that as the property is not held for consumption but for investment, to depreciate it would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

Depreciation is charged on all other categories of tangible fixed assets so as to write off the cost by equal annual instalments over the expected useful economic lives of the assets at the following rates:

Plant and equipment	14% per annum
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Operating leases

Rentals under operating leases are charged to the profit and loss account as incurred.

PILKINGTON PROPERTIES LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)****Group accounts**

The company has taken advantage of Section 228 (1) (a) of the Companies Act 1985 under which group accounts need not be prepared where the company is itself a wholly owned subsidiary undertaking of another company.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its accounting profits arising from the gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

No timing differences are recognised in respect of revaluation adjustments to tangible fixed assets where there is no commitment to sell the asset.

The deferred tax assets and liabilities are not discounted.

Debtors

Provisions against the non-recovery of debtors are made specifically against identified doubtful debtors.

Rent provision on onerous leases

Provision is made for the estimated net deficit between rents receivable and rents payable on short leasehold properties.

Provisions

Provisions in respect of liabilities are made in accordance with FRS 12 and are discounted where the effect is material. Specifically the company makes provision for costs relating to dilapidations arising from its obligations under various lease agreements.

Related parties

As the company is a subsidiary undertaking, where 90% or more of the voting rights are controlled within the Nippon Sheet Glass Co Limited (NSG) Group, it has taken advantage of the exemption permitted by FRS 8 not to disclose any transactions or balances with entities that are part of the NSG Group.

Interest

Interest income and expense is accounted for on an accruals basis.

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

2 Changes in accounting policies

The company has not adopted any new accounting standards during the year.

3 Operating loss

	2009	2008
	£000	£000
Operating loss is after charging/(crediting):		
Depreciation of tangible fixed assets	22	22
Operating lease costs - land and buildings	311	379
Auditors' remuneration - audit of financial statements	4	4
Rents receivable	(268)	(302)

4 Profit on disposal of fixed assets

	2009	2008
	£000	£000
Profit on disposal of fixed assets	-	58
	-	58

Profit on disposal of fixed assets in 2008 relates to two properties with a NBV of £10,000 disposed of during the year, together with a surplus on the realisation of a mortgage interest, resulting in a profit on disposal amounting to £58,000.

5 Net interest

	2009	2008
	£000	£000
Interest payable on bank loans and overdrafts	118	110
Interest receivable	(89)	(135)
	29	(25)

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

6 Directors' remuneration and employee information

None of the directors received any emoluments from the company during the year. The company did not employ anyone during the year. All administrative duties are performed by employees of fellow subsidiary companies.

The emoluments of all the company's directors are paid by fellow subsidiary companies. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to fellow subsidiary companies

7 Taxation

	2009	2008
	£000	£000
Current tax:		
United Kingdom corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	9
	<u>-</u>	<u>9</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2009	2008
	£000	£000
Loss on ordinary activities before tax	<u>(772)</u>	<u>(643)</u>
Loss on ordinary activities multiplied by standard rate of tax in the UK of 28% (2008: 30%)	(216)	(193)
Effects of:		
Expenses not deductible for tax purposes	6	(11)
Capital allowances in excess of accounts depreciation	-	(5)
Losses surrendered by way of group relief for which no payment will be received	<u>210</u>	<u>209</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

8 Tangible assets

	Plant and Equipment £000	Investment Properties £000	Total £000
At cost or valuation			
At 1 April 2008	155	447	602
At 31 March 2009	155	447	602
Accumulated depreciation			
At 1 April 2008	22	-	22
Charge for the year	22	-	22
At 31 March 2009	44	-	44
Written down value at 31 March 2009	111	447	558
Written down value at 31 March 2008	133	447	580
 Cost or valuation at 31 March 2009 Represented by:			
Valuation	-	447	447
Cost	111	-	111
	111	447	558

Net book value of land and buildings at 31 March 2009 comprises:

	Investment properties £000
Freehold property	447
	447

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

8 Tangible assets (cont'd)

The historic cost of investment properties included above at valuation is as follows:

	Freehold land and buildings	
	2009	2008
	£000	£000
Historic cost	222	222

The valuation in 2009 and 2008 was carried out by a qualified Chartered Surveyor, on an open market existing use basis. The same basis was used for all earlier valuations.

No deferred tax is provided on timing differences arising from the revaluation of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over.

9 Investments in subsidiary undertakings

	2009	2008
	£000	£000
At cost		
At 31 March 2008 and 31 March 2009	14,951	14,951
Provisions for impairment in value		
As at 31 March 2008 and 31 March 2009	(14,951)	(14,951)
Net book value at 31 March 2008 and 31 March 2009	-	-

<u>Name of Company</u>	<u>Shares Held</u>	<u>% owned</u>	<u>Principal Activity</u>
Pilkington Property Developments Limited	10,750,000 Ordinary shares of £1 each	100%	Dormant company
Maenporth Commercial Property Limited	3,339,000 Ordinary shares of £1 each	100%	Development and sale of properties
Pilkington Industrial Estates Limited	100 Ordinary shares of £1 each	100%	Dormant company
Pilkington Residential Properties Limited	100 Ordinary shares of £1 each	100%	Dormant company

All companies operate in the United Kingdom and are registered in the United Kingdom.

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

10 Debtors

	2009	2008
	£000	£000
Amounts falling due within one year		
Trade debtors	91	207
Amounts owed by Group undertakings	4,150	4,106
Other debtors	42	56
Prepayments and accrued income	44	72
	<hr/> 4,327	<hr/> 4,441
Amounts falling due after more than one year		
Deferred tax recoverable	3	3
	<hr/> 4,330	<hr/> 4,444

The deferred tax asset recoverable relates to future capital allowances receivable.

11 Creditors - amounts falling due within one year

	2009	2008
	£000	£000
Bank overdraft	3,036	2,178
Payments received on account	5	21
Trade creditors	21	44
Amounts owed to Group undertakings	-	37
Accruals and deferred income	84	36
	<hr/> 3,146	<hr/> 2,316

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

12 Provision for liabilities

	Provision for dilapidations	Provision for onerous leases	Total
	£000	£000	£000
At 1 April 2008	655	340	995
Released during year	75	(113)	(38)
Utilised during year	-	-	-
At 31 March 2009	730	227	957
Maturity profile of provisions:			
Within one year	320	153	473
Between 1 and 2 years	300	37	337
Between 2 and 5 years	110	37	147
After 5 years	-	-	-
	730	227	957

The increase in provision for dilapidations represents the increased contractual liability recognised at the end of the lease term. The reduction in provision for onerous leases represents reductions at the end of the lease terms.

13 Share capital

	2009 £000	2008 £000
Authorised		
20,000,000 ordinary shares of £1 each	20,000	20,000
1,500,000 preference shares of £1 each	1,500	1,500
	21,500	21,500
Allotted, called up and fully paid		
19,788,000 ordinary shares of £1 each	19,788	19,788

PILKINGTON PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

14 Reserves

	Revaluation reserve	Profit and loss account
	£000	£000
At 1 April 2008	225	(18,233)
Retained loss for year	-	(772)
At 31 March 2009	225	(19,005)

15 Commitments and contingent liabilities

Operating lease commitments

The company's operating lease commitments for the following financial year are as follows:

	2009 Land and buildings £000	2008 Land and buildings £000
For leases expiring:		
Within one year	-	108
Between two and five years	94	94
After five years	95	95
	189	297

As part of cash management arrangements with its UK clearing bank, cash held in the company's current account can, at any time, be applied by the bank to offset the overdrafts of other group companies. The contingent liability is limited to the cash balance held.

16 Ultimate and immediate holding company

The immediate parent undertaking is Pilkington Brothers Limited, registered in England and Wales. This company has not prepared consolidated accounts as the directors regard the ultimate parent undertaking and controlling party to be Nippon Sheet Glass Co Limited, a company registered in Japan. Nippon Sheet Glass Co Limited has prepared consolidated accounts for the year to 31 March 2009, a copy of which can be obtained from the Company Secretary, Nippon Sheet Glass Co Limited, Sumitomo Fudosan Mita Twin Building, West Wing 5-27, Mita 3-Chome, Minato-ku, Tokyo, 108-6321, Japan.