PILKINGTON UNITED KINGDOM LIMITED

(Company Registration Number: 1417048)

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2009

PILKINGTON

PILKINGTON UNITED KINGDOM LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009

The directors present their annual report and the audited accounts 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 £4.6m (2008: profit of £43.3m), taxation thereon amounted to a credit of £7.7m (2008: charge of £2.7m), leaving a profit after taxation amounting to £3.1m (2008: £40.6m). The directors do not recommend the payment of a dividend (2008: nil). The profit for the financial year of £3.1m will be transferred to reserves.

Principal activities and review of the business

The principal activity of the company is the manufacture and supply of glass to the building and automotive trades.

On 1 October 2008, the trade, assets and liabilities of Pilkington Aintree Limited were transferred to Pilkington United Kingdom Limited at net book value.

On 31 March 2009, the trade, assets and liabilities of Pilkington AG Limited were transferred to Pilkington United Kingdom Limited at net book value.

Turnover from continuing operations decreased by 5.3% to £288.9m. For the first quarter of the financial year, demand remained strong. However, the economic uncertainty in the market started to become apparent from July onwards. The market in UK and Ireland is competitive at all levels, this resulted in significant deterioration in market prices for all glass products. In an attempt to sell float glass and thereby provide loading for float lines, all manufacturers have also increased their competitiveness in selling semi finished products such as laminated and silvered.

Gross Profit to Sales ratio decreased by 4 percentage points to 34% (2008: 38%). The gross profit deterioration was primarily due to a reduction in sales prices and sales volumes over the course of the year.

In light of the current economic climate, the company has made a series of announcements relating to site closures and workforce reduction. Projects have been launched in order to reduce the company's cost base and to ensure sustainability going forward.

In June 2008, the company announced the cessation of manufacture at Doncaster. A subsequent announcement was made in March 2009 to effect a full closure of the remaining warehousing operation.

Additional projects announced in March 2009 will result in a 10% reduction across the branch network, including the full closure of the Pilkington Plymouth and Pilkington Middlesbrough sites.

REPORT OF THE DIRECTORS (CONTINUED)

Headcount reductions have been announced at Pilkington Dronfield, Pilkington Plyglass (Derby), Pilkington Sealed Units (Birmingham), Pilkington Basingstoke and also in central functions.

The expectation for the forthcoming year is a move to towards an alignment of capacity to demand and a focus on reducing the fixed cost base of our manufacturing facilities. It is expected that prices will return to more favourable levels during the year, compensating the significant decline in volumes compared to prior year.

Pilkington United Kingdom Limited is fully committed to a Group-wide initiative aimed at improving health and safety across all sites. A number of non-financial key performance indicators are quoted as part of this focus, with the primary measures being Lost Time Incident Rate and Significant Injury Rate.

Float manufacturing sites saw a twelve month Lost Time Incident Rate average of 0.42 (2008: 0.4), which equates to 3 Lost Time Accidents (2008: 3). The Significant Injury Rate saw a twelve month rolling average of 0.84 (2008: 1.4), which equates to 5 incidents of Significant Injury.

The downstream branches saw a twelve month Lost Time Incident Rate average of 1.53 (2008: 1.34). The Significant Rolling Injury Rate was 3.69 (2008: 4.23) against a target of 2.90. The corresponding number of Significant Injuries was 42.

We continually seek to improve against our targets, and on our reporting methods and initiatives, which demonstrates our commitment to the safety of our employees.

Review of business and future developments

The directors are satisfied with the performance of the business which will continue with its principal activity for the foreseeable future.

Directors

The following were directors of the company during the year:

Mr S M Gange
Mr R Hamilton
Mr D Pinder
Mr M Maier

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 as at the date of approving the directors' report.

PILKINGTON UNITED KINGDOM LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Employee involvement

The company encourages employee involvement through communication and consultation on a wide range of issues. Planned regular communications take place through briefing meetings, newspapers and bulletins, which keep employees aware of the financial and economic factors affecting the Pilkington Group.

The company encourages participation in decision making at all levels in the business and has a comprehensive training programme for all employee sectors.

Research and development

The company pays for and receives the benefits of all appropriate research and development work undertaken by the ultimate holding company. The work and costs are agreed by the directors and, since much of the work is directly related to the business of the company, a large proportion of it is carried out on the company's manufacturing plant.

Disabled persons

The company's objective is to maintain, or exceed, in its employment the statutory number of disabled persons under the Disabled Persons (Employment) Act. It endeavours to integrate disabled persons with other employees and their training, career development and promotion is handled under the company's general policy covering these activities.

Where an employee becomes disabled, every effort is made to ensure continuity of employment and provide appropriate training.

Payments policy

The company's policy in relation to the payment of its suppliers is to settle its terms of payment with each supplier when agreeing the terms of each business transaction. The supplier is made aware of the terms which are detailed on the company's purchase orders. It is company practice to abide by the agreed terms of payments.

Trade creditors amounting to £23.2m reported in note 13 to the accounts, represent 52 days (2008: 83 days) of average daily purchases.

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.

Charitable contributions

The contributions made by the company during the year for charitable purposes amounted to £3,000 (2008: £3,000).

REPORT OF THE DIRECTORS (CONTINUED)

Financial Instruments, Risks, and Uncertainties

The operations of the company expose it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency exchange rates, credit risks, energy prices, liquidity and interest rates. The company complies with the appropriate risk management policies employed by the ultimate parent company and has in place a risk management programme that seeks to limit the effects on the financial performance of the company by using foreign currency financial instruments, including debt and other instruments to fix interest rates.

To manage the foreign exchange risks arising from future commercial transactions and recognised assets and liabilities, the company uses forward contracts, transacted with the Group treasury function.

The company consumes significant amounts of energy and is exposed to energy price risk arising from this consumption, principally of oil and gas.

The directors consider that the cash flow and liquidity risks that may face the company from time to time will be met either by the company's own resources or with the assistance of another company in the NSG Group if required.

The company has its main manufacturing float facility at two locations in St Helens. These and other assets are subject to normal business risks in the event of property damage or business interruption, etc. These are protected by insurance coverage but in certain cases a deductible amount of not more than £100,000 will apply.

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 accounts 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.

REPORT OF THE DIRECTORS (CONTINUED)

Statement of Directors' responsibilities (cont'd)

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently, with the exception of any changes arising from the adoption of new accounting standards in the year as explained on page 16 under note 2 "Changes in accounting policies".
- 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 accounts 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.

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

20 January 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PILKINGTON UNITED KINGDOM LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of the movement in shareholders' funds and the related notes 1 to 20. 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 Annual Report and 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PILKINGTON UNITED KINGDOM LIMITED (CONTINUED)

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 profit for the year;

- 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

20 January 2010

PILKINGTON UNITED KINGDOM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Note	**2009 £M**	2008 £M
Turnover		**288.9**	305.0
Total continuing operations	3	**288.9**	305.0
Operating (loss)/profit			
Total continuing operations	4	**(7.7)**	39.4
(Loss)/profit before interest		**(7.7)**	39.4
Net interest receivable	5	**3.1**	3.9
(Loss)/profit on ordinary activities before taxation		**(4.6)**	43.3
Taxation credit/(charge)on profit on ordinary activities	6	**7.7**	(2.7)
Profit for the financial year	17	**3.1**	40.6

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 profit for the years ended 31 March 2009 and 31 March 2008.

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2009

There are no differences between the reported loss on ordinary activities before taxation and the historical cost profit for the year. Similarly, there were no such adjustments in respect of 2008.

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

	Note	**2009** **£M**	2008 £M
Net increase in shareholders' funds for the year		**3.1**	40.6
Shareholders' funds at beginning of year		**248.4**	207.8
Shareholders' funds at end of year		**251.5**	248.4

PILKINGTON UNITED KINGDOM LIMITED

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 £M	2008 £M
Fixed assets			
Tangible assets	9	**123.8**	104.0
Investments			
Investments - subsidiary undertakings	10	**13.2**	13.1
Current Assets			
Stocks	11	**46.2**	42.5
Debtors – amounts falling due within one year	12	**111.9**	159.3
Cash at bank and in hand		**12.8**	13.8
Creditors - amounts falling due within one year	13	**(47.4)**	(72.2)
Net current assets		**123.5**	143.4
Total assets less current liabilities		**260.5**	260.5
Provision for liabilities	14	**9.0**	12.1
Capital and reserves			
Share capital	16	**180.0**	180.0
Profit and loss account	17	**71.5**	68.4
Equity shareholders' funds		**251.5**	248.4
		260.5	260.5

The accounts on pages 9 to 26 were approved by the Board of Directors on 20January 2010 and were signed on its behalf by:

M Maier, Director

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 and in accordance with the Companies Act 1985 and applicable accounting standards.

A summary of the major accounting policies, which have been consistently applied, are 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.

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.

Deferred income

Regional development grants, other investment grants, and contributions from customers towards the cost of tooling, are taken to deferred income and are released to the profit and loss account in appropriate instalments relating to the type and nature of expenditure they are intended to fund.

Interest

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

Research and development

Expenditure on pure or applied research and development expenditure using existing know-how to produce new or substantially improved products or to install new processes prior to the commencement of commercial production or to improve substantially those products or processes already in commercial production is written off the profit and loss account as incurred.

Pension costs

Pension costs have been accounted for in accordance with the United Kingdom Financial Reporting Standard No 17 – Retirement Benefits.

The pension cost relates to defined benefit schemes. The company has applied paragraph 12 of FRS 17, and accounted for the scheme as though it were a defined contribution scheme as the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

The cost of providing other post-retirement benefits is recognised on a basis similar to that adopted for pensions.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

Principal accounting policies (cont'd)

Tangible assets and depreciation

Tangible fixed assets are stated at historical cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When the company builds an entirely new major plant the initial commissioning costs, bringing the plant to a status prior to production of goods of saleable quality, are capitalised as part of the fixed asset. All subsequent production and start up costs are written off to the profit and loss account as incurred.

Gross interest costs relating to major tangible fixed assets under construction are included in the cost of such assets and are depreciated as part of the total cost. Capitalisation of such costs ceases when the asset is commissioned.

The company's float lines are subject to regular repair. All 'hot repair' costs on glass tanks (incurred while the furnace is alight) are written off to the profit and loss account. When the float tank is rebuilt every 10 to 15 years the cost of the re-build is capitalised as fixed assets and depreciated over the life of the tank until the next re-build.

Freehold land is not depreciated. 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:

• Freehold buildings	2% to 5% per annum
• Leasehold buildings	2% to 5% per annum
• Short leasehold buildings	Over the life of the lease
• Float glass tanks	7% to 10% per annum
• Glass making plant	4% per annum
• Glass processing plant	6% to 7% per annum
• Other plant and machinery	5% to 20% per annum
• Vehicles	20% per annum
• Computer Hardware	Not less than 20% per annum
• Computer Software (including SAP)	Not less than 10% per annum
• Licenses	Not less than 5% per annum

The company regularly reviews its depreciation rates and the remaining useful economic lives of its tangible assets to take account of technological changes, intensity of use over their lives and market requirements.

Operating leases

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

Foreign currencies

Monetary foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Exchange differences are taken to the profit and loss account.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

Principal accounting policies (cont'd)

Subsidiary undertakings

Subsidiary undertakings are carried at their original historical cost less any impairment which is charged to the profit and loss account.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and works overhead expenditure incurred in bringing goods to their current state under normal operating conditions. Net realisable value is based on anticipated selling price less the cost of selling such goods and any sales incentives. Provisions for slow moving and obsolete items are made where appropriate.

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 gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to the forecasts which have been prepared and approved by the Board.

No timing differences are recognised in respect of:

- Fair value adjustments to acquired tangible fixed assets where there is no commitment to sell the asset
- Gains on the sale of assets where those assets have been rolled over into replacement assets, and
- Additional tax which would arise if the profits of overseas subsidiary undertakings, joint ventures and associates were distributed, in excess of those dividends that have been accrued

The deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

Principal accounting policies (cont'd)

Debtors

Provisions against the non-recovery of debtors are made specifically against identified doubtful debtors. Additionally, a general provision is made against all trade debts excluding those already specifically provided, those that are insured, those which are covered by confirmed irrevocable letters of credit and those with major vehicle manufacturers or Government departments (unless a specific provision is deemed necessary).

Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Provisions

Provisions in respect of liabilities are made in accordance with FRS 12 and are discounted where the effect is material. Specifically:

- Where the company guarantees or warrants a product from defect at the time of sale, a warranty provision is set up to cover the likely costs of potential claims, calculated by reference to historic experience and the duration of the warranty period.
- Provisions for redundancies and restructuring costs are made once a detailed formal plan has been prepared and approved and the company is irrevocably committed to implementing the plan.

Cash flow

In accordance with paragraph 5 (a) of FRS 1 (revised), the company is not required to publish a cash flow statement.

Related parties

As the company is a subsidiary undertaking, where 90% or more of its 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.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

2 Changes in accounting policies

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

3 Geographical analysis of turnover by markets

	2009		2008	
	Continuing		Continuing	
	£M	**%**	£M	%
United Kingdom	**221.8**	**76.8**	244.1	80.0
Europe (excluding UK)	**52.9**	**18.3**	44.6	14.6
Rest of the World	**14.2**	**4.9**	16.3	5.4
	288.9	**100.0**	305.0	100.0

4 Statutory information

	2009		2008	
	Continuing	**Total**	Continuing	Total
	£M	**£M**	£M	£M
Turnover	**288.9**	**288.9**	305.0	305.0
Cost of sales	**(191.2)**	**(191.2)**	(190.0)	(190.0)
Gross profit	**97.7**	**97.7**	115.0	115.0
Distribution costs	**(40.1)**	**(40.1)**	(37.0)	(37.0)
Administrative expenses	**(57.8)**	**(57.8)**	(38.6)	(38.6)
Exceptional item – Redundancy & Restructuring (Note 14)	(7.5)	(7.5)	-	-
Operating profit	(7.7)	(7.7)	39.4	39.4

	2009	2008
	£M	£M
Operating profit is after charging/(crediting):		
Depreciation of tangible fixed assets – owned	**15.3**	15.1
Operating lease costs – land and buildings	**3.0**	3.2
Operating lease costs – plant and machinery	**3.3**	3.0
Auditors' remuneration - audit services, Ernst & Young	**0.1**	0.1
Auditors' remuneration - non-audit services, Other Auditors	**-**	0.1
Impairment of Fixed Assets	**2.2**	1.3
Research and development expenditure written off in year	**3.6**	3.3

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

5 Net interest (receivable)/payable

	2009 £M	2008 £M
Interest payable on bank loans and overdrafts	**0.1**	0.4
Less interest receivable from Group undertakings	**(3.1)**	(3.3)
other interest receivable	**(0.1)**	(1.0)
	(3.1)	(3.9)

6 Taxation

	2009 £M	2008 £M
Current tax:	**-**	
Adjustment in respect of previous periods	**-**	-
Total current tax charge/(credit)	**-**	-
Deferred tax:		
Origination and reversal of timing differences	**(7.7)**	1.5
Effect of decreased tax rate on deferred tax balance		-
Adjustment in respect of previous periods		1.2
Total deferred tax (credit)/charge	**(7.7)**	2.7
Total tax on profit on ordinary activities	**(7.7)**	2.7

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

6 Taxation (cont'd)

	2009 **£M**	2008 £M
(Loss) / profit on ordinary activities before tax	**(4.6)**	43.3
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 28% (2008: 30%)	**(1.3)**	13.0
Effects of:		
Losses claimed by way of group relief for which no payments will be made	**(2.7)**	(11.4)
Expenses not deductible for tax purposes	**0.2**	-
Accelerated capital allowances/other timing differences	**3.8**	(1.6)
Movements in other timing differences		-
Adjustments to tax charge in respect of prior years		-
Current tax charge/(credit) for the year	**-**	-

7 Employee pay and numbers (including executive directors)

	2009 **£M**	2008 £M
Employment costs:		
Wages and salaries	**63.0**	64.6
Social security costs	**5.2**	5.2
Pension costs (note 19)	**5.4**	4.4
	73.6	74.2
Average number of employees		
UK	**2,026**	2,107
Others	**11**	13
	2,037	2,120
Number employed at 31 March	**2,027**	2,133

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

8 Directors' emoluments

	2009	2008
	£	£
Aggregate emoluments	**980,869**	865,282
	980,869	865,282

Highest paid director

	2009	2008
	£	£
Aggregate emoluments and benefits (including gains on exercise of share options and value of shares received) under long term incentive schemes	**342,249**	295,393
	342,249	295,393
Accrued pension at the end of the year	**79,035**	75,500

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

9 Tangible assets

	Land and buildings	Plant, machinery and vehicles	Computer Software/ Licenses	Total
	£M	£M	£M	£M
At cost or valuation				
At 1 April 2008	57.6	313.6	31.2	402.4
Additions	-	35.8	0.1	35.9
Disposals	(1.5)	(27.0)	-	(28.5)
Transfers (to)/from Group undertakings	-	1.1	-	2.2
At 31 March 2009	56.1	323.5	31.3	412.0
Accumulated depreciation				
At 1 April 2008	28.6	244.5	25.3	298.4
Charge for the year	1.4	12.0	1.9	15.3
Disposals	(2.1)	(26.6)	-	(28.7)
Impairment of Assets	-	2.2	-	2.2
Transfers (to)/from Group undertakings	-	(0.1)	-	1.0
At 31 March 2009	27.9	232.0	27.2	288.2
Written down value at 31 March 2009	**28.2**	**91.5**	**4.1**	**123.8**
Written down value at 31 March 2008	29.0	69.1	5.9	104.0

The net book value of land and buildings comprises:

Freehold	**27.1**
Long leasehold	**0.9**
Short leasehold	**0.2**
	28.2

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

10 Investments – subsidiary undertakings

	Shares £M
At cost	
At 1 April 2008	**13.1**
Additions	**0.1**
At 31 March 2009	**13.2**

Details of subsidiary undertakings are as follows:

Name of company	% equity and voting rights held	Principal activity
Triplex Holding Pension Fund Trustees Ltd	100	Non Trading
Pilkington Glass India Private Limited	100	Non Trading
Pilkington AG Glass Limited	100	IGU Manufacture
Pilkington Aintree Limited (previously Tuffx Limited)	100	IGU Manufacture

All companies operate and are registered in the United Kingdom

11 Stocks

	2009 £M	2008 £M
Raw materials	**8.7**	8.6
Stores	**6.8**	3.8
Work in progress	**1.4**	3.8
Finished goods	**29.3**	26.3
	46.2	42.5

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

12 Debtors

	2009 £M	2008 £M
Amounts falling due within one year		
Trade debtors	**31.3**	38.4
Less: Provision for impairment of debtors	**(1.7)**	(1.3)
	29.6	37.1
Amounts owed by Group undertakings	**80.8**	121.2
Corporation tax	**-**	0.3
Other debtors	**0.5**	0.6
Prepayments and accrued income	**0.8**	0.1
Deferred Tax	**0.2**	-
	111.9	159.3

The amounts owed by Group Undertakings are unsecured, interest free and due for repayment in full on or before 31 March 2010, unless both parties agree otherwise.

The deferred tax asset relates to accelerated capital allowances and other short term timing differences.

13 Creditors

	2009 £M	2008 £M
Amounts falling due within one year		
Bank overdrafts	**2.8**	2.5
Trade creditors	**23.2**	37.3
Amounts owed to Group undertakings	**7.0**	12.1
Other taxation and social security	**4.4**	8.5
Other creditors	**2.1**	2.6
Accruals and deferred income	**7.9**	9.2
	47.4	72.2

The amounts owed by Group Undertakings are unsecured, interest free and due for repayment in full on or before 31 March 2010, unless both parties agree otherwise.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

14 Provision for liabilities

	Deferred Taxation	Warranty and Litigation	Redundancies and Restructuring	Other	Total
	£M	£M	£M	£M	**£M**
At 1 April 2008	7.5	0.9	0.9	2.8	**12.1**
Charged to profit and loss account	-	0.1	7.5	1.0	**8.6**
Released to profit and loss account	(7.5)	(0.3)	-	(0.1)	**(7.9)**
Utilised during year	-	(0.1)	(2.7)	(1.0)	**(3.8)**
Transferred during year	-	-	-	-	**-**
At 31 March 2009	-	0.6	5.7	2.7	**9.0**
Maturity profile of provisions					
Within 1 year		0.6	5.7	1.1	**7.4**
Between 1 and 2 years		-	-	0.6	**0.6**
Between 2 and 5 years		-	-	0.2	**0.2**
Over 5 years		-	-	0.8	**0.8**
		0.6	5.7	2.7	**9.0**

Warranty provisions are created where the company has given a guarantee to cover the reliability and performance of products over an extended period. Redundancies and restructuring relate to provision for costs to be incurred for employees made redundant in prior periods. "Other" includes provisions for costs related to self-insured insurance claims against the Company and a cumulative leave provision which allows employees to carry forward unused annual holiday entitlements and receive a cash equivalent upon leaving the scheme.

Over the course of the year, a series of announcements have been made outlining plans to close sites and reduce workforce due to the current economic climate. In June 2008, the company announced the cessation of manufacture at Doncaster. A subsequent announcement was made in March 2009 to effect a full closure of the remaining warehousing operation. Additional projects announced in March 2009 will result in a reduction of 10% across the branch network and include the full closure of the Pilkington Plymouth and Pilkington Middlesbrough sites.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

15 Deferred taxation

The balances included in provisions and debtors relate to:

	2009 £M	2008 £M
Accelerated capital allowances	**0.3**	8.0
Short-term timing differences:	**(0.4)**	
Pension provision	**(0.1)**	(0.5)
Total (debtor)/provision for deferred tax	**(0.2)**	7.5
At 1 April 2008	**7.5**	4.8
Amounts charged/(credited) in the profit and loss account (note 6)	**(7.7)**	2.7
At 31 March 2009	**(0.2)**	7.5

16 Share capital

	2009 £M	2008 £M
Authorised		
180,000,000 ordinary shares of £1 each	**180.0**	180.0
40,000,000 preference shares of £1 each	**40.0**	40.0
	220.0	220.0
Allotted, called up and fully paid		
179,978,392 ordinary shares of £1 each	**180.0**	180.0
	180.0	180.0

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

17 Profit and Loss Account

	Profit and loss account £M
At 1 April 2008	**68.4**
Retained profit for year	**3.1**
At 31 March 2009	**71.5**

18 Capital commitments

	2009 £M	2008 £M
(a) Capital expenditure		
Amounts contracted for but not provided for in the accounts	-	0.2
		0.2

	2009		2008	
(b) Operating lease commitments	**Land & Buildings £M**	**Plant & Machinery £M**	Land & Buildings £M	Plant & Machinery £M
The company's operating lease commitments for the following financial year are as follows, for leases expiring:				
Within one year	-	**1.6**	0.5	1.1
Between two and five years	**0.9**	**1.4**	-	5.4
After five years	**1.8**	-	2.1	0.5
	2.7	**3.0**	2.6	7.0

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

19 Pensions and similar obligations

The company's employees are members of the Pilkington Superannuation Scheme (PSS) which, for the purposes of accounting under FRS 17, is in the nature of a multi-employer scheme. The pension cost charge for the year amounted to £4.2m (2008: £3.6m).

For the purposes of the required disclosures under FRS 17, the contributions paid by the company are accounted for as a defined contribution scheme as the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

At 31 March 2009, the deficit on the PSS amounted to £26.0m (2008: £nil).

With effect from 1 October 2008, the PSS was closed to new members.

With effect from 1 January 2009, Company contributions are levied at 16% of pensionable salary for active members accruing on a $1/60^{th}$ basis and 12.5% for active members accruing on a $1/80^{th}$ basis. For the calendar years 2009, 2010 and 2011, it was agreed with the PSS Trustee that the total increase in Company contributions (compared to what the Company contributions would have been had they remained at 10.5%) received from all participating employers will be no less than £4m. To the extent that the total increase in Company contributions received from all participating employers falls short of £4m, a further final and balancing contribution will be made by Pilkington Group Limited.

Further details of the PSS are given in the accounts of a fellow subsidiary undertaking, Pilkington Group Limited.

Unpaid pension contributions as at 31 March 2009 amounted to £0.5m (2008: £0.3m).

20 Ultimate and immediate parent undertakings

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.