PILKINGTON AUTOMOTIVE LIMITED

Company Registration Number: 2803344

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2011

PILKINGTON AUTOMOTIVE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

The directors present their annual report and the audited accounts of the company for the year ended 31 March 2011

Principal activities

The principal activity of the company is the manufacture and supply of automotive glazing systems for both the original equipment producers and the replacement trade

Review of business and future developments

	2011	2010	Change
	€'000	€'000	%
Turnover	707,736	649,832	9%
Total operating loss before exceptionals	(16,201)	(35,712)	55%
Loss after tax	(15,768)	(21,746)	28%
Shareholders' funds	118,032	133,800	-12%
Current assets as % of current liabilities	154%	165%	-6%
Average number of employees	724	739	-2%

Turnover continues to be generated throughout Europe via traded sales from Pilkington manufacturing sites and warehouses situated in the UK, France, Germany, Spain, Sweden & Poland The majority of revenue generated is derived from sales of OE (original equipment) & AGR (automotive glass replacement) glass Results for FY 2011 include AGR Wholesale Business – formerly Glasstox Ltd for the first time The business was acquired by AGR during April 2010 and consists of 8 sites across the UK which supply into the glass fitment market The integration of Glasstox into the AGR business is almost complete and to plan

There has been no change to the customer or geographical base of traded sales compared to previous years

The market recovery was ahead of expectations, this help drive a year on year improvement in prime margin for the business

The operating loss before exceptional items decreased by 55% during the year This improvement was achieved through cost reductions from significant restructuring activity completed in 2010

The Aftermarket business held up well despite the economic downturn and saw a year of small business growth Market demand was strong, both in domestic and export sectors

The average number of employees fell from 739 in 2010 to 724 in 2011

With application dated 17 February 2009, the company, in conjunction with other Group companies, has filed its appeal against the fine (€370m) levied by the European Commission for infringement of competition rules The appeal proceedings at the European Court of First Instance are still ongoing

PILKINGTON AUTOMOTIVE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

Irrespective of the outcome of the appeal, the company will not be liable to contribute to the fine, which was paid by another Group company

The future will continue to be highly competitive and difficult with a demanding customer base Maintaining a tight focus on quality continues to be a major priority Developments in vehicle design continue to provide exciting opportunities for new business

Directors

The following were directors of the company during the year

Mr S M Gange (resigned 30 September 2010)
Mr R Hemingway (appointed 5 October 2010)
Ms A Kidd (appointed 1 April 2010 and resigned 31 December 2010)
Mr B Pilling (appointed 1 January 2011)
Mr P J McDonald
Mr M A Fallon
Mr T P Bolas
Mr A K Fradgley
Mr C A Mason
Miss A Kelleher

Company Secretary

Mr I M Smith

PILKINGTON AUTOMOTIVE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

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 NSG 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

Disabled persons

The company's objective is to maintain, or exceed, in its employment of 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 payments 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 €10 3m (2010 €9 2m) reported in note 15 to the accounts, represent 27 days (2010 26 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 €nil (2010 €nil)

PILKINGTON AUTOMOTIVE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

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 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

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 has no significant credit risks other than receivables due from automotive manufacturers The NSG Group has credit policies in place to define acceptable levels of credit exposure risk and payment terms

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 accounts have been presented in Euro, using an exchange rate from Pounds Sterling to Euro of £1 €1 14 at year end (£1 €1 18 average exchange rate)

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

PILKINGTON AUTOMOTIVE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for 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, and
- 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 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

Mr C A Mason
Director

1 September 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PILKINGTON AUTOMOTIVE LIMITED

We have audited the financial statements of Pilkington Automotive Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains & losses, the reconciliation of movement in shareholders' funds and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PILKINGTON AUTOMOTIVE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Ernst + Young LLP

Andrea Harrison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

7 September 2011

PILKINGTON AUTOMOTIVE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 €000	2010 €000
Turnover			
Total continuing operations	4	**707,736**	649,832
		707,736	649,832
Exceptional income	6	**1,871**	902
Operating loss			
Total continuing operations	5	**(14,330)**	(34,810)
Loss before interest		**(14,330)**	(34,810)
Net interest payable	7	**(565)**	(662)
Loss on ordinary activities before taxation		**(14,895)**	(35,472)
Taxation on loss on ordinary activities	8	**(873)**	13,726
Loss for the financial year	19	**(15,768)**	(21,746)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2011

There were no recognised gains and losses for the year other than the loss for the year Similarly there were no recognised gains and losses for 2010 other than the loss for the year

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 €000	2010 €000
Loss for the year attributable to shareholders	19	**(15,768)**	(21,746)
Net decrease in shareholders' funds for the year		**(15,768)**	(21,746)
Shareholders' funds at beginning of year		**133,800**	155,546
Shareholders' funds at end of year		**118,032**	133,800

PILKINGTON AUTOMOTIVE LIMITED

BALANCE SHEET AS AT 31 MARCH 2011

Company Registration Number 2803344

	Note	**2011 €000**	2010 €000
Fixed assets			
Tangible assets	11	**32,044**	32,347
		32,044	32,347
Investments			
Investments - subsidiary undertakings	12	**14,318**	14,318
		14,318	14,318
Current assets			
Stocks	13	**32,332**	24,611
Debtors - amounts falling due within one year	14	**158,116**	137,741
- amounts falling due after more than one year	14	**17,655**	18,543
Cash at bank and in hand		**12,618**	54,868
		220,721	235,763
Creditors - amounts falling due within one year	15	**(143,563)**	(142,527)
Net current assets		**77,158**	93,236
Total assets less current liabilities		**123,520**	139,901
Creditors - amounts falling due after more than one year	15	**(26)**	-
Provision for liabilities	16	**(5,462)**	(6,101)
Total net assets		**118,032**	133,800
Capital and reserves			
Share capital	18	**206,595**	206,595
Share premium account	19	**1,675**	1,675
Profit and loss account	19	**(90,238)**	(74,470)
Equity shareholders' funds		**118,032**	133,800

The accounts on pages 9 to 27 were approved by the Board of Directors on 1 September 2011 and were signed on its behalf by·

T. Bolas

Mr T P Bolas
Director

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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 2006 and applicable accounting standards

A summary of the major accounting policies, which have been consistently applied, is set out below

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on pages 2 to 3

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's parent Nippon Sheet Glass Co Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the NSG Group to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Nippon Sheet Glass Co Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

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

Interest

Interest income and expense is accounted for on an accruals basis

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1. **Principal accounting policies (cont'd)**

Pension costs

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

The pension cost relates to defined contribution scheme and is the amount of contribution payable in the respective financial year

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

Tangible assets and depreciation

Tangible fixed assets are stated at historical cost less depreciation 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

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
• Glass processing plant	6% to 7% per annum
• Other plant and machinery	5% to 20% per annum
• Vehicles	20% 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

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1. **Principal accounting policies (cont'd)**

Group financial statements

The company has taken advantage in Section 401 of the Companies Act 2006 under which group financial statements need not be prepared where the company is itself a wholly owned subsidiary undertaking of another company and is included in non-EEA group accounts of a larger group

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

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1. Principal accounting policies (cont'd)

Debtors

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

Provisions

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

- 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 100% 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 other wholly owned subsidiaries of the NSG Group

FRS 23

As the company's principal assets and operations are spread across Europe and the majority of its operations are conducted in Euros, the company changed its presentational currency from Pound Sterling to Euro with effect from 1 April 2006 Given the change in operations and all transactions now being reported in Euro, the company's functional currency is Euro

2. Changes in accounting policies

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

3. Segmental analysis of continuing operations

The directors consider that the company is engaged in only one class of business which is the manufacture and supply of automotive glazing systems

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

4. Geographical analysis of turnover by markets

	2011 €000	%	2010 €000	%
United Kingdom	**162,119**	**23**	130,768	20
Europe (excluding UK)				
- EU	**538,504**	**76**	512,925	79
- Non EU	**2,081**	**-**	2,147	-
North America	**3,605**	**1**	2,755	1
Australasia	**250**	**-**	163	-
Rest of the World	**1,177**	**-**	1,074	-
	707,736	**100**	649,832	100

5. Statutory information

	2011 €000	2010 €000
Turnover	**707,736**	649,832
Cost of sales	**(661,528)**	(611,310)
Gross profit	**46,208**	38,522
Distribution costs	**(4,348)**	(9,896)
Administrative expenses	**(58,061)**	(64,338)
Exceptional costs	**1,871**	902
Operating loss after exceptional items	**(14,330)**	(34,810)

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

5. Statutory information (continued)

	2011	2010
	€000	€000
Operating loss is stated after charging		
Depreciation of tangible fixed assets	**3,174**	1,984
Operating lease costs – land and buildings	**2,113**	2,124
– plant and machinery	**1,962**	1,770
Auditors' remuneration - audit services	**94**	73
Management charge from Group undertaking	**6,896**	6,316
Research and development expenditure written off in year	**1,272**	1,384

6. Exceptional items

	2011	2010
	€000	€000
Redundancy and restructuring of operations	**(138)**	2,097
Reversal of impairment (Impairment loss)	**2,009**	(1,195)
	1,871	902

This reversal of impairment relates to an asset transferred to a group entity, previously impaired

7. Net interest payable

	2011	2010
	€000	€000
Interest payable to Group undertakings	**(380)**	(571)
Other interest payable	**(58)**	-
	(438)	(571)
Less interest payable on bank loans and overdrafts	**(127)**	(91)
Other interest and similar charges	**-**	-
	(565)	(662)

8. Taxation

	2011 €000	2010 €000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(2,235)	(7,530)
Adjustment in respect of previous periods	1,755	(6,196)
Change in deferred tax rate	1,353	-
Total deferred tax	873	(13,726)
Total tax charge(credit) on loss on ordinary activities	873	(13,726)

The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 28% (2010: 28%) The differences are explained below

	2011 €000	2010 €000
Loss on ordinary activities before tax	(14,895)	(35,472)
Loss on ordinary activities multiplied by the standard rate of tax in the UK of 28% (2010 28%)	(4,171)	(9,932)
Effects of		
Expenses not deductible for tax purposes	1,992	2,402
Accelerated capital allowances / other timing differences	2,234	7,530
Transfer pricing adjustment	(55)	-
Current tax charge for the year	-	-

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

9. Employee pay and numbers (including executive directors)

	2011	2010
	€000	€000
Employment costs		
Wages and salaries	**31,986**	38,481
Social security costs	**3,966**	3,969
Pension costs (note 21)	**2,448**	3,720
	38,400	46,170

	No	No
Average number of employees	**724**	739
Number employed at 31 March 2011	**730**	675

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

10. Directors' emoluments

	2011 €000	2010 €000
Aggregate emoluments	308	542
Company pension contributions to money purchase schemes	39	45
	347	587

Retirement benefits are accruing to two of the directors under the company's defined contribution scheme (2010 two)

Mr M A Fallon, Miss A Kelleher, Mr C A Mason, Ms A Kidd and Mr T Bolas are also directors of fellow subsidiaries The directors received total remuneration for the year of €2,026k (2010 €1,592k), all of which was paid by the fellow subsidiaries and then recharged to the company The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the fellow subsidiary companies. Accordingly the above details include no emoluments in respect of Mr M A Fallon, Miss A Kelleher, Mr C A Mason, Ms A Kidd and Mr T Bolas

The emoluments of Mr P J McDonald, Mr S M Gange and Mr B Pilling are also paid by a fellow subsidiary company Their services to this company are of a non-executive nature and their emoluments are deemed to be wholly attributable to services to a fellow subsidiary company Accordingly, the above details include no emoluments in respect Mr P J McDonald, Mr S M Gange and Mr B Pilling

Highest paid director

	2011 €000	2010 €000
Aggregate emoluments and benefits	200	347
Company pension contributions to money purchase scheme	25	18
	225	365

11. Tangible assets

	Land and buildings	Plant, machinery and vehicles	Total
	€000	€000	€000
At cost or valuation			
At 1 April 2010	11,363	154,059	165,422
Additions	175	3,942	4,117
Disposals	-	-	-
Transfers to group companies	-	(9,027)	(9,027)
At 31 March 2011	11,538	148,974	160,512
Accumulated depreciation			
At 1 April 2010	7,562	125,513	133,075
Charge for the year	70	3,104	3,174
Transfers to group companies	-	(5,772)	(5,772)
Impairment reversal	-	(2,009)	(2,009)
At 31 March 2011	7,632	120,836	128,468
Written down value at 31 March 2011	**3,906**	**28,138**	**32,044**
Written down value at 31 March 2010	3,801	28,546	32,347

	2011	2010
	€000	€000
The net book value of land and buildings comprises		
Freehold	**2,383**	2,278
Long leasehold	**1,523**	1,523
	3,906	3,801

Tangible assets include the cost of assets in the course of construction and payments on account amounting to €4 8m (2010 €8 1m)

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

12. Investments – subsidiary undertakings

	Investment in subsidiary undertaking €000
At cost	
At 1 April 2010 and 31 March 2011	**14,318**
At 31 March 2011	**14,318**
Written down value at 31 March 2011	**14,318**
Written down value at 1 April 2010	14,318

The company holds 100% of the ordinary share capital of Pilkington AGR (UK) Limited, which is registered in England and Wales and is dormant

13. Stocks

	2011 €000	2010 €000
Raw materials	**587**	544
Stores	**555**	509
Work in progress	**5,843**	5,954
Finished goods	**25,347**	17,604
	32,332	24,611

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

14. Debtors

	2011 €000	2010 €000
Amounts falling due within one year		
Trade debtors	**102,395**	91,158
Amounts owed by Group undertakings	**32,688**	37,345
Other debtors	**22,298**	9,145
Prepayments and accrued income	**735**	93
	158,116	137,741
Amounts falling due after more than one year		
Other trade debtors	**72**	87
Deferred tax recoverable (Note 17)	**17,583**	18,456
	17,655	18,543
	175,771	156,284

15. Creditors

	2011 €000	2010 €000
Amounts falling due within one year		
Bank overdrafts	-	19,280
Trade creditors	**10,319**	9,236
Amounts owed to Group undertakings	**120,162**	104,931
Other taxation and social security	**9,099**	5,408
Other creditors	**1,937**	2,110
Accruals	**2,046**	1,562
	143,563	142,527
Amounts falling due after more than one year		
Trade creditors	**11**	-
Other creditors	**15**	-
	26	-
	143,589	142,527

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

16. Provision for liabilities

	Bonus	Warranty and Litigation	Redundancy and Restructuring	Other	Total
	€000	€000	€000	€000	€000
At 1 April 2010	2.242	434	1,244	2,181	6,101
Charged to profit and loss account	4,566	0	247	23	4,836
Released to profit and loss account	-	(63)	(109)	-	(172)
Utilised during the year	(3,954)	(239)	(1,105)	(5)	(5,303)
At 31 March 2011	**2,854**	**132**	**277**	**2,199**	**5,462**
Maturity profile of provisions					
Within 1 year	2,854	66	277	178	3,375
Between 1 and 2 years	-	66	-	155	221
Between 2 and 5 years	-		-	663	663
Over 5 years	-		-	1,203	1,203
	2,854	132	277	2,199	5,462

The warranty and litigation provision relates to employee liability claims.

The redundancies and restructuring provision relates to the costs of making employees redundant upon rationalisation of the business

Other provisions include provision for onerous lease €1,872k (2010 €1,874k) and provision for cumulative leave €327k (2010 €307k) This relates to a scheme which allowed employees to bank unused annual holiday entitlement and receive a cash equivalent upon leaving employment based on salary at the date of leaving The scheme was closed to existing and new employees from March 2002 The amount shown as utilised during the year was drawn for the use intended when the provision was established

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17. Deferred taxation

The deferred tax balance included within debtors relates to

	2011	2010
	€000	€000
Accelerated capital allowances	**(5,003)**	(5,020)
Short-term timing differences	**(80)**	(137)
Tax losses	**(12,500)**	(13,299)
Total provision for deferred tax	**(17,583)**	(18,456)
At 1 April 2010	**(18,456)**	(4,730)
Amounts (credited)/charged in the profit and loss account (note 8)	**873**	(13,726)
At 31 March 2011	**(17,583)**	(18,456)

At the balance sheet date, legislation had been substantively enacted which would reduce the main rate of UK corporation tax from 28% to 26% with effect from 1 April 2011 This reduction is reflected in the company's deferred tax asset for the period to 31 March 2011 The effect of the rate reduction has been to reduce the company's deferred tax asset by €1 4m (see Note 8)

Further reductions to the main rate of corporation tax were also announced in the March 2011 UK Budget Statement, to reduce the rate to 23% by 1 April 2014 The reduction from 26% to 25% has been included in Finance Bill 2011, to have effect from 1 April 2012 The reductions from 25% to 23% are expected to be enacted separately, in the Finance Bill for each of the years 2012 and 2013 respectively These changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements

If the full 3% reduction in the UK corporation tax rate were applied to the company's deferred tax balance at 31 March 2011, the effect would be to reduce the overall deferred tax asset by €2,029k, with a reduction of €676k recognised in the financial statements for each of the years ended 31 March 2012, 2013 and 2014, upon each successive 1% rate change becoming enacted or substantively enacted

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18. Share capital

	2011	2010
	€000	€000
Authorised		
1,307,000 "A" ordinary shares of £100 each	186,901	186,901
243,000 "B" ordinary shares of £100 each	34,749	34,749
	221,650	221,650
Allotted, called up and fully paid		
1,209,000 "A" ordinary shares of £100 each	172,887	172,887
235,720 "B" ordinary shares of £100 each	33,708	33,708
	206,595	206,595

19. Share premium account and reserves

	Share premium account €000	Profit and loss account €000
At 1 April 2010	1,675	(74,470)
Retained loss for the year	-	(15,768)
At 31 March 2011	1,675	(90,238)

20. Operating lease commitments

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

	2011		2010	
	Land & buildings	Plant & machinery	Land & buildings	Plant & machiner y
	€000	€000	€000	€000
For leases expiring				
Within one year	-	286	-	306
Between two and five years	113	712	112	699
After five years	1,611	-	1,596	-
	1,724	998	1,708	1,005

21. Pensions and similar obligations

The company's employees are members of the Pılkıngton Superannuatıon Scheme (PSS) whıch, for the purposes of accountıng under FRS 17, ıs ın the nature of a multı-employer scheme The pensıon cost charge for the year amounted to €2 4m (2010 €3 7m)

For the purposes of the requıred dısclosures under FRS 17, the contrıbutıons paıd by the company are accounted for as a defined contrıbutıon scheme as the company ıs unable to ıdentıfy ıts share of the underlyıng assets and lıabılıtıes ın the scheme on a consıstent and reasonable basıs

At 31 March 2011, the deficıt on the PSS amounted to £39 5m (2010 the deficıt on the PSS amounted to £50 2m)

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

Wıth effect from 1 January 2009, company contrıbutıons are levıed at 16% of pensıonable salary for actıve members accruıng on a 1/60th basıs and 12 5% for actıve members accruıng on a 1/80th basıs For the calendar years 2009, 2010 and 2011, ıt was agreed wıth the PSS Trustee that the total ıncrease ın company contrıbutıons (compared to what the company contrıbutıons would have been had they remaıned at 10 5%) receıved from all partıcıpatıng employers wıll be no less than €4 8m To the extent that the total ıncrease ın company contrıbutıons receıved from all partıcıpatıng employers falls short of €4 8m, a further final and balancıng contrıbutıon wıll be made by Pılkıngton Group Lımıted

Further detaıls of the PSS are gıven ın the financıal statements of Pılkıngton Group Lımıted

Unpaıd pensıon contrıbutıons as at 31 March 2011 amounted to €nıl (2010 €nıl)

PILKINGTON AUTOMOTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

22. Acquisitions

On 14 April 2010, the Company acquired the trade and certain assets of Glasstox Limited for a total consideration of €3,865k

The assets were

	2011 €000
Plant and machinery	785
Stock and work progress	2,135
Debtors and prepayments	2,597
Creditors and accruals	(1,654)
Cash	2
	3,865

The directors consider the acquisition amounts paid which are the book value to equal the fair value and therefore no further adjustments have been made Accordingly, no goodwill has been recognised on the acquisition

23. 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 2011, 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