

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 5th April 2018

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**The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018**

PLAN MANAGEMENT

For the year ended 5th April 2018

TRUSTEE & ADVISERS

The Trustee of the Plan is PDSL Trustees Limited ('The Company'), which is a limited liability company.

The power to appoint and remove Trustee directors rests with the principal employer, Pilkington United Kingdom Limited.

During the year ended 5 April 2018, the following were Directors of the Company:-

Mr G Davis
Mrs E Ballantyne
Miss K Brown – Resigned 27.9.17
Mr G Charlton – Appointed 23.1.18
Miss J P Halligan
Mrs W Rodriguez
Mrs G Stretch

The Articles of Association of the Trustee provide for the election of Directors including member-nominated Directors. A nomination procedure took place in April 2015 and again in 2018 but no nominations were received. The Articles state that any vacancy may endure until the next scheduled election.

PERSONS AND ORGANISATIONS ACTING FOR THE TRUSTEE

Investment Managers:	Aberdeen Asset Managers Limited
Plan administrators:	Scottish Widows' Fund and Life Assurance Society
Independent auditors:	PricewaterhouseCoopers LLP
Bankers:	National Westminster Bank plc
Principal employer:	Pilkington United Kingdom Limited

Enquiries about the Plan should be addressed to:

Pilkington Group Pensions Dept
NSG European Technical Centre
Hall Lane
Lathom
Nr Ormskirk
Lancashire
L40 5UF

Email: pensions.administration@nsg.com

**The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018**

TRUSTEE'S REPORT

For the year ended 5th April 2018

Plan constitution and management

The Pilkington Distribution Services Limited Retirement and Life Assurance Plan (the Plan) was established on 6th April 1994 to provide retirement benefits for employees who were previously in membership of the Heywood Williams Group plc Retirement and Life Assurance Scheme. It was available to employees in the processing and merchanting businesses of Pilkington United Kingdom Limited, as specified by Pilkington United Kingdom Limited until 31st March 2018, when it was closed to future accrual.

The Plan is a Money Purchase Scheme managed through the Scottish Widows' Fund and Life Assurance Society.

Responsibility for setting the strategy and for managing the Plan rests with the Trustee. The Trustee Board meets quarterly and ad hoc if required.

The Trustee directors' attendance at Board meetings is as follows:

E Ballantyne	2 of 4
K Brown	0 of 2
G Charlton	1 of 1
G Davis	4 of 4
J Halligan	4 of 4
W Rodriguez	4 of 4
G Stretch	4 of 4

Trustee directors are all employed within the Pilkington Group and are not paid additionally by the Plan for their services as directors.

The Trustee has agreed a business plan to support its governance arrangements. This includes periodic review of registers of risk and conflicts to ensure that appropriate internal controls are put in place and remain effective.

Financial developments and financial statements

The financial statements included in this annual report are the financial statements required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41 (1) and (6) of that Act.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

TRUSTEE'S REPORT (continued)

Membership and benefits

The change in membership during the year is as follows:

	Active members	Deferred members	Pensioners
At 6 April 2017	60	336	92
Late adjustments	-	-	(5)
	60	336	87
New members joining	3	-	-
Members Retiring	(2)	(19)	2
Members leaving prior to pension age	(56)	56	-
Deaths	-	(1)	-
Transfer out / Refunds	(5)	(6)	-
At 5 April 2018	-	366	89

The benefits of all pensioners are provided by annuities. The Plan also has 55 beneficiaries who have reversionary annuities which are not yet in payment (2017: 51)

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

TRUSTEE'S REPORT (continued)

INVESTMENT MANAGEMENT

Investment strategy and principles

The Trustee is responsible for determining the Plan's investment strategy.

In accordance with section 35 of the Pensions Act 1995, the Trustee has agreed a statement of investment principles ("SIP"). This was reviewed in 2018.

A copy of the SIP may be obtained from the contact for enquiries on page 1.

Management and custody of investments

The assets of the Plan are invested in units in the "Managed Fund", "Pension Protection Fund" and "Cash Fund" with Aberdeen Asset Managers Limited.

The assets of the "Managed Fund" are invested in various stocks and shares, both in the UK and Overseas, and in bonds, property and other assets. The assets of the "Pension Protection Fund" are invested in fixed interest investments. The assets of the "Cash Fund" are invested in cash and near cash investments.

Investment performance

The Trustee receives information about performance against benchmark for each fund on an annual basis.

Performance on the Plan's investments is summarised as follows:

Year to 05 April 18

Annualised Return over	% CHANGE		
	1 YEAR	3 YEARS	5 YEARS
Managed Fund	2.0	6.2	7.2
Pens Protection Fund	1.9	6.6	7.0
Cash	0.1	0.3	0.3
Total annualised return for the Plan	1.7		

Employer related investments

The Plan does not hold any employer related investments.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

TRUSTEE'S REPORT (continued)

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Plan will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

The Trustee also has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised showing the rates of contributions payable to the Plan by or on behalf of employers and the active members of the Plan and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Plan and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Plan in accordance with the payment schedule.

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

STATEMENT REGARDING DC GOVERNANCE

For the year ended 5th April 2018

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (“the Administration Regulations”) require the Trustee to include an annual statement regarding governance in the annual report.

Default arrangement

Members who do not make an explicit choice regarding the investment of their funds will have their funds invested in the Managed fund until 5 years before their normal retirement dates. The funds will then be transferred to the Pension Protection Fund over the following 5 years. Both of these funds are managed by Aberdeen Asset Managers Limited.

The objective of the Managed fund is to provide a long term total return through investment in a range of asset classes, in any geographical area and it is actively managed. The objective of the Pension Protection Fund is to track the FTSE UK Gilts over 15 year index.

By investing in this manner, the Trustee expects to deliver growth over the member’s lifetime within the Plan without excessive risk taking, but to reduce volatility over the final five years by moving into a fund whose value is expected to move in line with annuity costs. The Trustee considers this approach to be in the best interests of the members.

The default arrangement was reviewed by the Trustee in October 2015, and advice is currently being sought from Willis Towers Watson on suitable investments in light of the Plan being closed. A copy of the Statement of Investment Principles can be found on page 23.

Processing Plan transactions

The Trustee has a specific duty to secure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members) are processed promptly and accurately.

These transactions are undertaken on behalf of the Trustee by the Plan administrator Scottish Widows Limited, and its investment manager Aberdeen Asset Managers Limited. The Trustee considers the processes and controls implemented by those organisations to be suitably designed to achieve these objectives. The Trustee also monitors performance against Scottish Widows internal service standard on a quarterly basis and Scottish Widows’ record of holdings in each fund is reconciled following each transaction. During the plan year there were a number of instances where transactions were not performed in line with Scottish Widows standard time frames. These transactions were queried with Scottish Widows and the Trustee is satisfied that procedures have been put in place to prevent future delays in transaction processing. The Trustee does not believe that any members were disadvantaged by the delays.

In light of the above, the Trustee considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

STATEMENT REGARDING DC GOVERNANCE (continued)

Transaction costs

The Administration Regulations require the Trustee to make an assessment of charges and transaction costs borne by members and the extent to which those charges and costs represent good value for money for members.

The default arrangement attracts an annual management charge of 0.35% of assets in the Managed Fund (total expense ratio 0.41%) and 0.12% of assets in the Pension Protection Fund (total expense ratio 0.13%). These are lower than the maximum allowed of 0.75%, and the Trustee is satisfied that they represent a good deal for members.

The Trustee also makes available a range of 9 alternative funds which may be chosen by members as an alternative to the default arrangement. These funds attract annual management charges of between 0.12% and 0.55%. These funds allow members to take a more tailored approach to managing their own pension investments.

Trustees' knowledge and understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Scheme assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 07.

The Trustee has put in place training on a quarterly basis to ensure that all directors are up to date with relevant developments. Directors are regularly invited to put forward areas in which they would like further training. Topics provided during the scheme year included Auto-enrolment, governance, trustee discretions, GDPR and winding up a scheme.

All of the existing Trustee Directors have completed the Pension Regulator's Trustee Toolkit and new Trustee Directors are required to complete this within six months of taking up office.

Taking account of actions taken individually and as a Trustee body, and the professional advice available to it, the Trustee considers that it is enabled properly to exercise its function as Trustee.

DC Plan governance

As Trustee of the Pilkington Distribution Services Ltd Retirement and Life Assurance Plan we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in The Pensions Regulator's:

- Code of Practice 13: Governance and administration of occupational defined contribution trust-based schemes
- Regulatory guidance for defined contribution schemes.

These are underpinned by the DC quality features.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

STATEMENT REGARDING DC GOVERNANCE (continued)

Based on our assessment we believe that we have adopted the standards of practice set out in the DC code and DC regulatory guidance. These help demonstrate the presence of DC

quality features, which we believe will help deliver better outcomes for members at retirement.

The Statement regarding DC governance was approved by the Trustee on 31 October 2018 and signed on its behalf by:



G Davis – Chairman

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

Independent auditors' report to the Trustee of the Pilkington Distribution Services Limited Retirement & Life Assurance Plan

Report on the audit of the financial statements

Opinion

In our opinion, Pilkington Distribution Services Limited Retirement & Life Assurance Plan's financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 5 April 2018, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included in the annual report, which comprise: the statement of net assets available for benefits as at 5 April 2018; the fund account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Plan's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Plan's ability to continue as a going concern.

Reporting on other information

The other information comprises all the information in the annual report other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Trustee is responsible for the other information. Our opinion on the financial statements does

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustee for the financial statements

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for ensuring that the financial statements are prepared and for being satisfied that they show a true and fair view. The Trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the scheme, or has no realistic alternative but to do so.

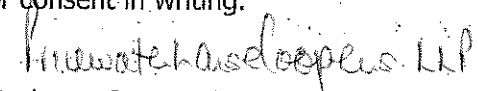
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
Date

11/1/18

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

FUND ACCOUNT

For the year ended 5 April 2018

	Note	2018 £	2017 £
Contributions and benefits			
Employer contributions	4	48,395	75,325
Employee contributions	4	421	2,031
Total contributions		48,816	77,356
Transfers from other plans	5	-	214
		48,816	77,570
Benefits	6	(470,776)	(179,142)
Transfer to other Plans	7	(523,534)	(160,538)
		(994,310)	(339,680)
Net withdrawals from dealings with members		(945,494)	(262,110)
Returns on investments			
Change in market value of investments	9	32,789	1,213,342
Income from annuity policies		51,465	49,180
Net returns on investments		84,254	1,262,522
Net (decrease) / increase in the fund		(861,240)	1,000,412
Opening net assets of the Plan		8,336,068	7,335,656
Closing net assets of the Plan		7,474,828	8,336,068

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

STATEMENT OF NET ASSETS

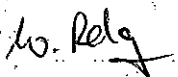
Available for benefits as at 5 April 2018

	Note	2018 £	2017 £
Investment assets			
Pooled investment vehicles		6,251,757	7,116,828
Annuities		1,219,200	1,233,500
	9	7,470,957	8,350,328
Current assets	19	24,636	6,748
Current liabilities	20	(20,765)	(21,008)
Total Net assets available for benefits		7,474,828	8,336,068

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

The financial statements on pages 11 to 20 were approved by the Trustee and signed on 15 October 2018 on its behalf by:

W Rodriguez



Directors of
P D S L Trustees Limited

J P Halligan



The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 5th April 2018

1 General Information

The Pilkington Distribution Services Ltd Retirement and Life Assurance Plan is an occupational scheme established under trust.

The Plan was established to provide retirement benefits to certain groups of employees within Pilkington Group Limited. The address of the Plan's principal office is – Pilkington Group Pensions Dept, NSG European Technical Centre, Hall Lane, Lathom, Nr Ormskirk, Lancs L40 5UF.

The Plan is a registered pension scheme under the Chapter 2, part 4 of the Finance Act 2004. Its Pension scheme Tax Reference number is 00349502RZ and Pension Scheme Registry number is 1020 0640. This means that contributions by employers and employees are normally eligible for tax relief and income and capital gains earned by the plan receive preferential tax treatment.

2 Statement of compliance

The individual financial statements of Pilkington Distribution Services Limited Retirement & Life Assurance Plan have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised November 2014) ("the SORP").

3 Summary of significant accounting policies

The principal accounting policies of the Plan are set out below. These have been consistently applied to all the years presented.

(a) Contributions

- (i) Employee contributions, including AVCs, are accounted for by the Trustees when they are deducted from pay by the Employer.
- (ii) Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as the employees' contributions, in accordance with the payment schedule in force during the year.

(b) Payments to members

- (i) Pensions in payment (funded by annuity contracts) are accounted for in the period to which they relate.
- (ii) Benefits are accounted for in the period in which the member notifies the Trustee of his decision on the type of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
- (iii) Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid or received. Transfer values do not include any discretionary benefits.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 Summary of significant accounting policies (continued)

(c) Investment income

Income arising from annuity policies is included in investment income.

Change in market value of investments relates to the change in unit price of the "Managed Fund" and "Pension Protection Fund" as invested by Pensions Management (SWF) Limited, together with realised profits and losses arising during the year from transactions in securities and foreign currencies. The change in unit price will reflect unrealised gains and losses arising from movements in the prices of investments.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sale of investments during the year and unrealised changes in market value.

Transaction costs are included in the cost of purchase and sales proceeds. Transaction costs include costs charged directly to the Plan such as commissions and other fees.

(d) Valuation and classification of investments

Unitised pooled investment vehicles have been valued at the latest available single price provided by the pooled investment manager.

(e) Valuation of annuity policies

Annuity policies are valued by the Company's actuary using the buy-out basis. The key assumptions used in the valuation of annuity policies are as follows:

Assumption	Description
Discount rate	Market implied gilt yield curve as at 5 April 2018, with no addition
Longevity base table	100% of standard S2PXA tables
Longevity future improvements	2013 CMI model with core settings and a long term rate of improvement of 1.5%
Amount of contingent spouse pension	50% (for members with joint life annuities only)
Indexation to pensions in payment	LPI(0,5) - Market implied inflation curve with a floor of 0% and a cap of 5% Fixed 0% Fixed 3%

(f) Currency

The Plan's functional and presentational currency is pound sterling (GBP).

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Contributions

	2018	2017
	£	£
Employer contributions		
Normal	48,395	75,325
	<u>48,395</u>	<u>75,325</u>
Employee contributions		
Normal	421	2,031
	<u>421</u>	<u>2,031</u>
Total contributions	<u>48,816</u>	<u>77,356</u>

Employer normal contributions for 2018 include contributions of £21,928 in respect of salary exchange arrangements made available to certain members by the Employer. (2017: £35,641).

5 Transfers from other plans

	2018	2017
	£	£
Individual transfers in from other plans	-	214
	<u>-</u>	<u>214</u>

6 Benefits

	2018	2017
	£	£
Pensions	51,465	49,180
Lump sums on retirements	394,757	70,073
Death Benefits	24,554	59,889
	<u>470,776</u>	<u>179,142</u>

7 Transfers to other plans

	2018	2017
	£	£
Individual transfers out to other plans	523,534	159,038
Refund	-	1,500
	<u>523,534</u>	<u>160,538</u>

8 Administrative Expenses

All costs of administration are borne by Pilkington United Kingdom Limited or its parent company, Pilkington Group Limited.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Reconciliation of net investments

	Opening Value £	Purchase payment £	Sales proceeds £	Change in Market Value £	Closing Value £
Pooled Investment Vehicles					
Managed Fund - diversified	6,374,517	49,625	(797,344)	126,257	5,753,055
Protection Fund - gilts	742,249	180,796	(418,396)	(6,013)	498,636
Cash Fund	62	-	-	4	66
Annuities	1,233,500	73,159	-	(87,459)	1,219,200
	8,350,328	303,580	(1,215,740)	32,789	7,470,957

Purchases include contributions and transfers in invested before the year end. Holdings in the pooled investment vehicles include an amount in respect of AVCs of £88,379 (2017: £88,292)

Investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf the corresponding contributions were paid. The Plan administrator allocates investment units to members. Members each receive an annual statement confirming the contributions paid on their behalf and the value of the money purchase rights.

10 Investment management expenses

No transaction costs are charged directly to the Plan.

11 Taxation

The Plan is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

12 Investment transaction costs

There were no direct transaction costs during the year (2017: Nil). Indirect costs are incurred through the bid-offer spread on investments. The amount of these indirect costs is not separately provided to the Plan.

13 Defined contribution assets

Defined contribution section investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The investment manager holds the investment units on a pooled basis for the Trustee. The Plan administrator allocates investment units to members. The Trustee may hold investment units representing the value of employer contributions that have been retained by the Plan that relate to members leaving the Plan prior to vesting.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 Defined contribution assets (continued)

Defined contribution investment assets allocated to the Trustee and not allocated to members and therefore available to the Trustee to apply as specified in the Plan rules, as follows:

	2018 £	2017 £
Allocated to members	6,251,691	7,116,766
Not allocated to members	66	62
	<u>6,251,757</u>	<u>7,116,828</u>

14 Fair value of investments

The fair value of financial instruments has been estimated using the following fair value hierarchy:

Level (1) - The quoted price for an identical asset in an active market at the reporting date.

Level (2) - When quoted prices are unavailable, a price which is observable either directly or indirectly.

Level (3) - The price based on unobservable inputs for the asset.

The Plans investment assets and liabilities have been fair valued using the above hierarchy categories as follows:

	Level 1 £	Level 2 £	Level 3 £	2018 Total £
Pooled investment vehicles	-	6,251,757	-	6,251,757
Insurance policies	-	-	1,219,200	1,219,200
	-	<u>6,251,757</u>	<u>1,219,200</u>	<u>7,470,957</u>

	Level 1 £	Level 2 £	Level 3 £	2017 Total £
Pooled investment vehicles	-	7,116,828	-	7,116,828
Insurance policies	-	-	1,233,500	1,233,500
	-	<u>7,116,828</u>	<u>1,233,500</u>	<u>8,350,328</u>

15 Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Investment Risks (continued)

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

(i) Investment strategy

The Trustee objective is to make available to members of the Plan an appropriate range of investment options designed to generate income and capital growth, which together with new contributions from members and their employer, will provide a retirement amount with which the member can purchase a pension annuity (or other type of retirement product). The SIP outlines the investment objectives and strategy for the Defined Contribution assets of the Plan.

The investment funds offered to members are provided by Aberdeen Asset Managers Limited as follows:

FPM	Managed Fund
FPP	Pension Protection Fund
FCA	Cash Fund
FBC	UK Long Dated Corporate Bond Fund
FCE	UK Capped Equity Fund
FCN	Consensus Mixed Fund
FIT	Index Linked Gilt Tracker Fund
FIX	UK Index Tracker Fund
FPY	Property Fund
FEM	Emerging Markets Equity Fund
FEQ	Stock Exchange Equity Fund

The Trustee monitors the underlying risk by annual investment reviews with Aberdeen Asset Managers Limited.

(ii) Credit Risk

The Pilkington Distribution Retirement and Life Assurance Plan is subject to direct credit risk in relation to Aberdeen Asset Managers Limited through its holding in unit linked insurance funds provided by Aberdeen Asset Managers Limited and in relation to Scottish Widows through its holding of annuities.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 Investment Risks (continued)

Aberdeen Asset Managers Limited is regulated by the Financial Conduct Authority and maintains separate funds for its policy holders. Aberdeen Asset Managers Limited invests all the Plan's funds in its own investment unit linked funds and it does not use other investment funds or reinsurance arrangements. In the event of default by Aberdeen Asset Managers Limited the Plan is protected by the Financial Services Compensation Scheme.

The Plan is also subject to indirect credit and market risk arising from the underlying investments held in the funds. Member level risk exposures will be dependent on the funds invested in by members.

At the Plan year end the Managed and Pension Protection funds were exposed to underlying credit risk.

The Trustee only invests in funds where the financial instruments and all counterparties are at least investment grade.

(i) Market risk

The Plan is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by Aberdeen Asset Managers Limited.

The Managed Fund is exposed to foreign exchange, interest and other price risks.

The Pension Protection Fund is exposed to interest rate risk.

The Cash Fund is exposed to foreign exchange and interest rate risk.

	Credit Risk	Market Risk			2018	2017
		Currency	Interest rate	Other Price	£	£
Pooled Investment Vehicles					6,251,757	7,116,828
Direct	x					
Indirect	x	x	x	x		
Annuities	x		x	x	1,219,200	1,233,500
Total					7,470,957	8,350,328

16 Concentration of investments

The Managed Fund represents 77.0% of net assets (2017: 76.5%) and the Protection Fund represents 6.7% of net assets (2017: 8.9%). Insurance policies represent 16.3% of net assets (2017: 14.8%)

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Insurance policies

The Trustee holds insurance policies with Scottish Widows Limited which provide annuity income to cover pensions. The insurance policies are valued on a buy-out basis. The assumptions used in the valuation are shown on page 14.

18 Employer-related investments

The Plan did not hold any employer-related investments at any time during the year or at the year end.

19 Current assets

	2018 £	2017 £
Contributions due from employer in respect of:		
- Employer	3,353	6,092
- Employee	36	175
	<u>3,389</u>	<u>6,267</u>
Bank Account - Current	21,247	449
Debtors – Bank Charges	-	32
	<u>24,636</u>	<u>6,748</u>

20 Current liabilities

	2018 £	2017 £
Death benefits due	-	21,008
Commutation due	20,749	-
Excess Refund of bank charges	16	-
	<u>20,765</u>	<u>21,008</u>

21 Contingencies and commitments

At 5 April 2018 (and 5 April 2017) there were no contingent liabilities.

22 Related party transactions

The following related party transaction arose during the year:

The expenses of the Plan were paid by Pilkington United Kingdom Limited (the Principal Employer) and its parent Pilkington Group Limited.

The Pilkington Distribution Services Limited

Retirement and Life Assurance Plan – year ended 5th April 2018

Independent auditors' statement about contributions to the Trustee of the Pilkington Distribution Services Limited Retirement & Life Assurance Plan

Statement about contributions

Opinion

In our opinion, the contributions required by the payment schedule for the Plan year ended 5 April 2018 as reported in Pilkington Distribution Services Limited Retirement & Life Assurance Plan's summary of contributions have, in all material respects, been paid in accordance with the payment schedule dated 1 January 2016.

We have examined Pilkington Distribution Services Limited Retirement & Life Assurance Plan's summary of contributions for the Plan year ended 5 April 2018 which is set out on the following page.

Basis for opinion

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan under the payment schedule and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Trustee in respect of contributions

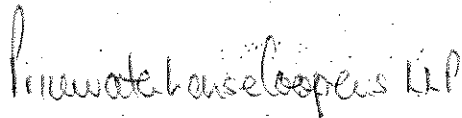
As explained more fully in the statement of Trustee's responsibilities, the Plan's Trustee is responsible for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Plan by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

11/11/18


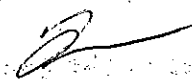
The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

Summary of Contributions payable in the year

During the year, the contributions payable to the Plan were as follows:

	Employee £	Employer £	Total £
Required by the Payment Schedule			
Normal contributions	421	48,395	48,816
Total	421	48,395	48,816

Employer normal contributions include contributions of £21,928 in respect of salary exchange arrangements made available to certain members by the Employer.

Signed on behalf of the Trustee:

**The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018**

STATEMENT OF INVESTMENT PRINCIPLES

1. This statement sets out the principles governing decisions about the investment of the assets of the Pilkington Distribution Services Limited Retirement and Life Assurance Plan (the Scheme). The Trustee of the Scheme (the Trustee) issues this statement to comply with section 35 of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005 (S.I. 2005/3378) (the Investment Regulations).
2. As the Scheme has 100 or more members and is a wholly-insured scheme, this statement is required to cover (1) the Trustee's policy for compliance with the requirements of section 36 of the Pensions Act 1995 (choosing investments) and (2) the reasons for the Scheme being a wholly-insured scheme.
3. The Trustee's policy for compliance with the requirements of section 36 of the Pensions Act 1995 (choosing investments):-
 - (a) The Trustee has obtained and considered proper advice on the question of whether its investments in certain life and pensions products with Scottish Widows and Aberdeen Asset Management is satisfactory having regard to the requirements of the Investment Regulations, so far as relating to the suitability of investments, and to the principles contained in this statement.
 - (b) The Trustee has determined at what intervals the circumstances, and in particular the nature of the investment, make it desirable to obtain such advice as is mentioned in (a) above and will obtain and consider such advice accordingly.
 - (c) The Trustee has obtained and considered proper advice on the question of whether the default strategy is satisfactory.
4. The reasons for the Scheme being a wholly-insured scheme with Scottish Widows (insurance company):-
 - (a) The financial strength of the insurance company;
 - (b) The security given by (1) the insurance company's regulation by the Financial Conduct Authority and the Prudential Regulation Authority and (2) the Financial Services Compensation Scheme;
 - (c) The professional management of the insurance company's investment funds (by Aberdeen Asset Management);

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2018

- (d) The insurance company's pensions administration and investment expertise; and
 - (e) Value-for-money in investing a packaged product with the insurance company.
5. The default strategy is to invest in the PM Managed Fund until 5 years before the member's normal retirement date. The member's funds are then moved into the PM Protection Fund over the next 5 years.

The PM Managed Fund aims to provide a long term total return. The PM Protection Fund aims to track the FTSE UK Gilts over 15 year index. Both funds have daily liquidity.

The aim of this strategy is to achieve growth over the lifetime of the policy, but to reduce the risk of adverse market movements in the years immediately preceding retirement. This is considered to be in the best interest of members as it de-risks into a fund which is expected to move in line with annuity prices.

6. The members' funds are subject to direct credit risk through the holdings in unit linked insurance funds provided by Aberdeen Asset Managers Limited. This is mitigated by the protection offered by the Financial Services Compensation Scheme in the event of default by Aberdeen Asset Managers Limited. Members' funds are also subject to indirect interest rate, foreign exchange and other price risks. These are mitigated by the diversification within the "Managed Fund" and by the fact that all financial instruments and all counterparties are at least investment grade.
7. All social, environmental and ethical considerations are delegated to the fund manager.
8. This statement will be reviewed at least every three years and without delay after any significant change in investment policy.
9. Before preparing this statement, the Trustee has (a) obtained and considered the written advice of a person who is reasonably believed by the Trustee to be qualified by their ability and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of occupational pension schemes and (b) consulted the employer in relation to the Scheme.

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Signed on behalf of the Trustee of the Scheme

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Date

