

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017
Scheme Reference Number 102006404

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 5th April 2017

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The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

PLAN MANAGEMENT

For the year ended 5th April 2017

TRUSTEE & ADVISERS

The Trustee of the Plan is P D S L Trustees Limited ('The Company') 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 2017, the following were Directors of the Company:-

Miss J P Halligan

Mr B Pilling – resigned 31 March 2017

Mrs W Rodriguez

Miss K Brown – resigned 27 September 2017

Mr G Davis

Mrs E Ballantyne – appointed 31 March 2017

Mrs G Stretch - appointed 31 March 2017

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 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.admin@nsg.com

**The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017**

TRUSTEE'S REPORT

For the year ended 5th April 2017

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 is available to employees in the processing and merchanting businesses of Pilkington United Kingdom Limited, as specified by Pilkington United Kingdom Limited.

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 quarterley and ad hoc if required.

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

K Brown	4 of 5
G Davis	5 of 5
J Halligan	5 of 5
B Pilling	1 of 5
W Rodriguez	5 of 5

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 2017

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 2016	93	314	93
New members joining	-	-	-
Members Retiring	(1)	(3)	-
Members leaving prior to pension age	(32)	32	-
Deaths	-	(4)	(4)
New spouse & dependant pension	-	-	3
Cessation of dependant pension	-	-	-
Transfer out / Refunds	-	(3)	-
At 5 April 2017	60	336	92

The benefits of all pensioners are provided by annuities. The Plan also has 51 beneficiaries who have reversionary annuities which are not yet in payment (2016: 54).

The Pilkington Distribution Services Limited

Retirement and Life Assurance Plan – year ended 5th April 2017

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 revised in 2015.

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 17

Annualised Return over	% CHANGE		
	1 YEAR	3 YEARS	5 YEARS
Managed Fund	20.48%	9.24%	9.06%
Pens Protection Fund	13.08%	14.27%	9.4%
Cash	0.48%	0.54%	0.54%
Total annualised return for the Plan	16.4%		

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 2017

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 UK 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 the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- contain the information specified in Regulations 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

The Trustee is responsible for supervising the preparation of the financial statements and for agreeing suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

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 adequate 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 towards the Plan by or on behalf of the employer 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 2017

STATEMENT REGARDING DC GOVERNANCE

For the year ended 5th April 2017

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 will be reviewed again in 2017/18 in light of the Plan's experience of how members have chosen to exercise the options allowed by pensions freedom.

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 and Scottish Widows' record of holdings in each fund is reconciled following each transaction.

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

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

The Pilkington Distribution Services Limited

Retirement and Life Assurance Plan – year ended 5th April 2017

STATEMENT REGARDING DC GOVERNANCE (continued)

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.

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.

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 9 October 2017 and signed on its behalf by:



G Davis – Chairman

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

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

Report on the financial statements

Our 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 2017, 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; and
- contain the information specified in Regulation 3 and 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

What we have audited

Pilkington Distribution Services Limited Retirement & Life Assurance Plan's financial statements comprise:

- the statement of net assets available for benefits as at 5 April 2017;
- the fund account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the Trustee has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Trustee

As explained more fully in the statement of Trustee's responsibilities, the Trustee is responsible for the preparation of the financial statements and being satisfied that they show 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)

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

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

("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 Plan's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustee; and
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Trustee's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

23/10/17

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

FUND ACCOUNT

For the year ended 5 April 2017

	Note	2017 £	2016 £
Contributions and benefits			
Employer contributions	4	75,325	69,227
Employee contributions	4	2,031	9,038
Total contributions		77,356	78,265
Other income		-	-
Transfers from other plans	5	214	2,295
		77,570	80,560
Benefits	6	(179,142)	(194,309)
Transfer to other Plans	7	(160,538)	(252,787)
		(339,680)	(447,096)
Net withdrawals from dealings with members		(262,110)	(366,536)
Returns on investments			
Change in market value of investments	9	1,213,342	(112,928)
Income from annuity policies		49,180	49,033
Net returns on investments		1,262,522	(63,895)
Net increase/ (decrease) in the fund		1,000,412	(430,431)
Opening net assets of the Plan		7,335,656	7,766,087
Closing net assets of the Plan		8,336,068	7,335,656

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

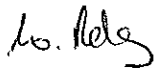

STATEMENT OF NET ASSETS

Available for benefits as at 5 April 2017

	Note	2017 £	2016 £
Investment assets			
Pooled investment vehicles	9	7,116,828	6,109,980
Annuities		1,233,500	1,245,758
		8,350,328	7,355,738
Current assets	19	6,748	7,174
Current liabilities	20	(21,008)	(27,256)
Total Net assets available for benefits		8,336,068	7,335,656

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 10 to 19 were approved by the Trustee and signed on 9 October 2017 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 2017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 5th April 2017

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 financial statements 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 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 (Revised September 2014) ("the SORP").

In preparing the financial statements the Trustee has adopted the provisions of 'Amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures (March 2016)' early. This results in the fair value of investments being classified as level 1/2/3 rather than category a/b/c as reported in the prior year.

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.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 *Summary of significant accounting policies (continued)*

- (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.

(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 2017, 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%

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 *Summary of significant accounting policies (continued)*

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

4 Contributions

	2017	2016
	£	£
Employer contributions		
Normal	75,325	69,227
	75,325	69,227
Employee contributions		
Normal	2,031	6,035
Additional voluntary contributions	-	3,003
	2,031	9,038
Total contributions	77,356	78,265

Employer normal contributions for 2017 include contributions of £35,641 in respect of salary exchange arrangements made available to certain members by the Employer (2016:£35,641).

5 Transfers from other plans

	2017	2016
	£	£
Individual transfers in from other plans	214	2,295
	214	2,295

6 Benefits

	2017	2016
	£	£
Pensions	49,180	49,033
Lump sums on retirements	70,073	137,113
Death Benefits	59,889	8,163
	179,142	194,309

7 Transfers to other plans

	2017	2016
	£	£
Individual transfers out to other plans	159,038	252,787
Refund	1,500	-
	160,538	252,787

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 2017

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	5,433,515	72,550	(237,563)	1,106,015	6,374,517
Protection Fund - gilts	676,403	189,838	(243,577)	119,585	742,249
Cash Fund	62	-	-	-	62
Annuities	1,245,758	-	-	(12,258)	1,233,500
	<u>7,355,738</u>	<u>262,388</u>	<u>(481,140)</u>	<u>1,213,342</u>	<u>8,350,328</u>

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 £88,292 (2016: £74,703)

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 (2016: 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 2017

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:

	2017	2016
	£	£
Allocated to members	7,116,766	7,355,676
Not allocated to members	62	62
	<u>7,116,828</u>	<u>7,355,738</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	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>

	Level 1	Level 2	Level 3	2016 Total
Pooled investment vehicles	-	6,109,980	-	6,109,980
Insurance policies	-	-	1,245,758	1,245,758
	-	<u>6,109,980</u>	<u>1,245,758</u>	<u>7,355,738</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 2017

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 of 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.

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

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			2017	2016
		Currency	Interest rate	Other Price	£	£
Pooled Investment Vehicles					7,116,828	6,109,980
Direct	x					
Indirect	x	x	x	x		
Annuities	x		x	x	1,233,500	1,245,758
Total					8,350,328	7,355,738

16 Concentration of investments

The Managed Fund represents 76.5% of net assets (2016: 74.1%) and the Protection Fund represents 8.9% of net assets (2016: 9.2%). Insurance policies represent 14.8% of net assets (2016: 17.0%)

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

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 an buy-out basis. The assumptions used in the valuation are shown on page 13.

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

	2017	2016
	£	£
Contributions due from employer in respect of:		
- Employer	6,092	6,524
- Employee	175	169
	6,267	6,693
Bank Account - Current	449	459
Debtors – Bank Charges	32	22
	6,748	7,174

20 Current liabilities

	2017	2016
	£	£
Death benefits due	21,008	27,256
Commutation due	-	-
	21,008	27,256

21 Contingencies and commitments

At 5 April 2017 (and 5 April 2016) 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 2017

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

Statement about contributions

Our opinion

In our opinion, the contributions required by the payment schedule for the Plan year ended 5 April 2017 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.

What we have examined

Pilkington Distribution Services Limited Retirement & Life Assurance Plan's summary of contributions for the Plan year ended 5 April 2017 is set out on the following page.

Responsibilities for the statement about contributions

Our responsibilities and those of the Trustee

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 the employer in accordance with relevant requirements.

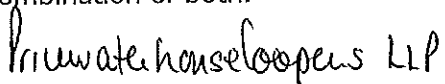
It is our responsibility to provide a statement about contributions and to report our opinion to you.

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.

What an examination of the summary of contributions involves

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.

We test and examine information, using sampling and other techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through testing the effectiveness of controls, substantive procedures or a combination of both.


PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
Date

23/10/17

The Pilkington Distribution Services Limited
Retirement and Life Assurance Plan – year ended 5th April 2017

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	2,031	75,325	77,356
Total	2,031	75,325	77,356
Other contributions payable			
AVCs	-	-	-
Total (per Fund Account)	2,031	75,325	77,356

Employer normal contributions include contributions of £35,641 in respect of salary exchange arrangements made available to certain members by the Employer.

Signed on behalf of the Trustee:

Ms. Kellogg

[Signature]