

# **PILKINGTON AEROSPACE LIMITED**

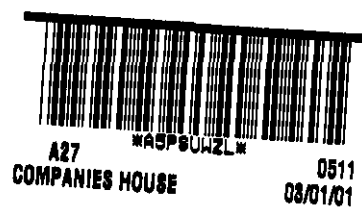
Company Registration Number: 1999018

## **REPORT AND ACCOUNTS**

**YEAR ENDED 31 MARCH 2000**



**PILKINGTON**



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**PILKINGTON AEROSPACE LIMITED**

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**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2000**

The directors present their annual report and the audited accounts for the year ended 31 March 2000.

**Principal activities**

The principal activity of the company is the manufacture and sale of advanced transparencies, principally to the aerospace, railway and bullet resistant glazing industries.

**Review of business and future developments**

Overall operating profit was lower than the previous year, but costs before exceptional administrative expenses were reduced.

Restructuring is in progress to improve the performance in future years.

**Results and dividend**

The profit for the year on ordinary activities before taxation amounted to £526,000 (1999 £563,000). Taxation thereon amounted to £ nil (1999 £ nil). The directors do not recommend payment of a dividend and the profit for the financial year will be transferred to reserves.

**Research and development**

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

**Directors**

The following were directors of the company during the year:

Mr J R McCollough	(Chairman)
Mr P Molineux	(Managing Director)
Mr E S Hinkley	(Director)

Mr Hinkley was appointed as an additional Director of Pilkington Aerospace Limited on 25 October 1999.

# **PILKINGTON AEROSPACE LIMITED**

## **REPORT OF THE DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2000**

### **Directors' interests**

None of the directors had an interest in any contract of a material nature with the company.

None of the directors had an interest in the shares of the company or its subsidiary companies, either at the beginning or end of the financial year.

The undermentioned directors, who are not also directors of the ultimate holding company, Pilkington plc, had the following beneficial interests in the ordinary shares and in options to acquire shares in that company:

	At 31.3.99	Shares under option			At 31.3.00
		Options Granted	Options lapsed	Options exercised	
Mr J R McCollough	281,660	78,884	-	-	360,544
Mr P Molineux	102,965	26,588	1,311	-	128,242

Options were granted under the Pilkington Senior Executives' Share Option Scheme at 93.5p.

	Shares held	
	At 31.3.99	At 31.3.00
Mr J R McCollough	10,000	20,000

### **Employee involvement**

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

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

Certain senior executives participate in the Pilkington Senior Executives' Share Option Scheme and the employees are able to participate in the Savings Related Share Option Scheme. Both schemes are seen as a valuable method of encouraging employee commitment and involvement with the company.

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**PILKINGTON AEROSPACE LIMITED**

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**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2000****Disabled persons**

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

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

**Payments policy**

The company's policy in relation to the 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 £1,728,000 reported in note 13 to the accounts, represent 54 days of average daily purchases.

**Year 2000 Compliance**

As noted in last year's report and accounts, the directors were satisfied that the company was taking appropriate action to minimise the risks associated with the Year 2000 issue. In the event, the company did not suffer any significant hardware or software issues and no problems were experienced in the company's relationships with customers or suppliers.

The costs incurred during 1999 in ensuring Year 2000 compliance were not significant and were absorbed in either the capital or revenue costs as incurred, as the Year 2000 review was deemed to be part of the normal continuous cycle of hardware and software replacement or upgrade.

Given the nature of the problem, the company will continue to monitor the issue over the coming months and deal with any problems that arise. However, the residual risk is considered remote.

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**PILKINGTON AEROSPACE LIMITED**

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**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2000****Statement of Directors' responsibilities**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

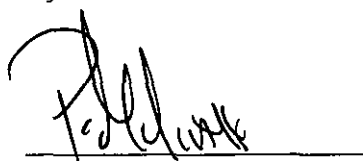
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

A resolution to re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

By order of the Board



P. Molineux  
Director

14<sup>th</sup> June 2000

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**PILKINGTON AEROSPACE LIMITED**

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**REPORT OF THE AUDITORS TO THE MEMBERS OF  
PILKINGTON AEROSPACE LIMITED**

We have audited the accounts on pages 7 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the annual report. As described on page 4, this includes responsibility for preparing the accounts in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

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**PILKINGTON AEROSPACE LIMITED**

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**REPORT OF THE AUDITORS TO THE MEMBERS OF  
PILKINGTON AEROSPACE LIMITED****Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.

**PRICEWATERHOUSECOOPERS**

Chartered Accountants and Registered Auditors

Liverpool

14<sup>th</sup> June 2000

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**PILKINGTON AEROSPACE LIMITED**


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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000**

	Notes	2000 £000	1999 £000
<b>Turnover</b>	3	<u>19,267</u>	<u>19,858</u>
<b>Operating profit</b>	4	<u>553</u>	<u>606</u>
<b>Profit before interest</b>		553	606
Interest payable less receivable	5	<u>(27)</u>	<u>(43)</u>
<b>Profit on ordinary activities before taxation</b>		526	563
Taxation	6	<u>-</u>	<u>-</u>
<b>Profit on ordinary activities after taxation</b>		526	563
Dividends		<u>-</u>	<u>-</u>
<b>Retained profit for the year</b>	17	<u><u>526</u></u>	<u><u>563</u></u>

All of the above activities are in respect of continuing operations.



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**PILKINGTON AEROSPACE LIMITED**


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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2000**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Profit for the year	<b>526</b>	<b>563</b>
Other recognised gains	-	-
Total recognised gains	<b>526</b>	<b>563</b>

There were no material differences between the reported profit on ordinary activities before taxation and the historical cost profit for the year. Similarly, there are no such adjustments in respect of 1999.

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31 MARCH 2000**


Profit for the year attributable to shareholders	<b>526</b>	<b>563</b>
Shareholders' funds at beginning of year	<b>8,172</b>	<b>7,609</b>
Shareholders' funds at end of year	<b>8,698</b>	<b>8,172</b>

**PILKINGTON AEROSPACE LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2000**

	Note	2000 £000	1999 £000
<b>ASSETS EMPLOYED</b>			
<b>Fixed assets</b>			
Tangible assets	9	3,564	3,643
Investments – subsidiary undertakings	10	100	100
Total fixed assets		3,664	3,743
<b>Current assets</b>			
Asset held for resale		127	-
Stocks	11	3,281	3,228
Debtors	12	4,691	3,421
Cash at bank and in hand		472	789
Total Current Assets		8,571	7,438
Creditors – amounts falling due within one year	13	(2,658)	(2,140)
Net current assets		5,913	5,298
Total assets less current liabilities		9,577	9,041
<b>FINANCED BY</b>			
Creditors – amounts falling due after more than one year	14	116	155
Provision for liabilities and charges	15	763	714
<b>Capital and reserves</b>			
Share capital	16	9,000	9,000
Profit and loss account	17	(302)	(828)
Equity shareholders' funds		8,698	8,172
		9,577	9,041

The accounts on pages 7 to 20 were approved by the Board of Directors on 14<sup>th</sup> June 2000.

  
 \_\_\_\_\_ Director

**PILKINGTON AEROSPACE LIMITED**

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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000****1 Principal accounting policies**

The accounts are prepared in accordance with the historical cost convention. The accounts are also prepared in accordance with Accounting Standards applicable in the United Kingdom.

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

**Turnover**

Turnover is based on the invoiced value of sales, excluding VAT, and includes sales to other Group undertakings.

**Research and development**

Revenue expenditure on research and development is charged against the profits of the year in which it is incurred.

Capital expenditure on research laboratories, equipment and plant is written off over its expected working life.

**Pension costs**

Pension costs have been accounted for in accordance with the United Kingdom Accounting Standard No 24 - Accounting for Pension Costs.

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

**Tangible assets and depreciation**

Tangible assets are stated at historical cost.

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 lives of the assets, such depreciation commencing at the start of the half year after the asset is commissioned.

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**PILKINGTON AEROSPACE LIMITED**

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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000****Tangible assets and depreciation (cont'd)**

Depreciation is written off in accordance with the following lives of assets:

Freehold buildings	20 years to 30 years
Plant & machinery	5 years to 15 years
Motor vehicles	3 years

**Finance leases**

Assets held under finance leases are included in tangible fixed assets at cost and are depreciated over the shorter of the lease term or their useful life. Obligations relating to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors due within or after one year. Finance charges are allocated to accounting periods over the lease term to reflect a constant rate of interest on the remaining balance of the obligation.

**Operating leases**

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

**Foreign currencies**

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.

**Subsidiary undertakings**

Subsidiary undertakings are carried at their original historical cost less any provision for impairment.

**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. The works overhead expenditure includes charges for depreciation of tangible assets, but excludes research and development, distribution, selling, divisional and head office expenses.

**Group accounts**

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

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**PILKINGTON AEROSPACE LIMITED**


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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**
**1 Principal accounting policies (continued)**
**Deferred taxation**

Deferred taxation is provided on the liability method at current or expected future rates of tax in respect of timing differences between profits as computed for tax purposes and profits as stated in the accounts except to the extent that, in the opinion of the directors, the potential tax liability will not become payable in the foreseeable future.

**Cash flow**

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

**Related parties**

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

**2 Segmental analysis of continuing operations**

The company's directors consider that the company is engaged in only one class of business.

**3 Geographical analysis of turnover by markets**

	2000		1999	
	Continuing	%	Continuing	%
United Kingdom	6,354	33	6,125	31
Europe (excluding UK)				
- EU	1,842	10	2,349	12
- Non EU	660	3	720	4
North America	8,203	43	8,038	40
South America	219	1	419	2
Rest of the World	1,989	10	2,207	11
	<u>19,267</u>	<u>100</u>	<u>19,858</u>	<u>100</u>

**PILKINGTON AEROSPACE LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**

**4 Statutory information**

	<b>2000</b>	<b>1999</b>
	<b>Continuing</b>	<b>Continuing</b>
	<b>£000</b>	<b>£000</b>
Turnover	19,267	19,858
Cost of sales	(14,827)	(15,146)
Gross profit	4,440	4,712
Distribution costs	(543)	(572)
Administrative expenses	(2,825)	(3,112)
Exceptional administrative expenses	(519)	(422)
Operating profit	553	606

Redundancy costs totalling £519,000 (1999 £422,000) have been classified as exceptional administrative expenses.

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Operating profit is after charging		
Depreciation of tangible fixed assets	459	389
Operating lease costs - plant and machinery	27	36
Auditor's remuneration - audit	6	7
Research and development expenditure	334	452

**5 Interest payable less receivable**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank overdrafts and loans:	1	4
Interest payable to Group undertakings	2	7
Finance leases	14	4
Other interest and similar charges	21	29
	38	44
Less interest receivable (other)	(11)	(1)
	27	43

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**PILKINGTON AEROSPACE LIMITED**


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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**
**6 Taxation**

There is no taxation charge on the profit for the year because of the availability of group relief for which payment will not be made.

**7 Employee pay and numbers (excluding directors)**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Employment costs		
Wages and salaries	<b>5,477</b>	5,332
Social security costs	<b>409</b>	426
Pension costs	<b>436</b>	383
	<hr/> <b>6,322</b> <hr/>	<hr/> 6,141 <hr/>
	<b>No</b>	<b>No</b>
Average number of employees	<b>255</b>	257
Number employed at 31 March 2000	<b>259</b>	255

**8 Directors' emoluments**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<b>108,583</b>	137,427
Company pension contributions to defined contribution schemes	<b>17,292</b>	114,383
	<hr/> <b>2000</b> <hr/>	<hr/> 1999 <hr/>
	<b>£000</b>	<b>£000</b>
<b>Highest paid director</b>		
Total emoluments	<b>83</b>	84

**PILKINGTON AEROSPACE LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**

**8 Directors' emoluments (continued)**

The above details of directors' emoluments exclude the emoluments of Mr J R McCollough, which are paid by Pilkington Aerospace Inc and re-charged to the company as part of a management charge. This management charge, which in 1999/2000 amounted to £556,000, also includes a charge for administration costs paid by the fellow subsidiary and it is not possible to identify separately the amount of Mr J R McCollough's emoluments.

**9 Tangible assets**

	Freehold land & buildings £000	Plant, machinery & vehicles £000	Total £000
<b>At cost</b>			
At 1 April 1999	2,104	7,648	9,752
Additions	-	438	438
Disposals	(9)	(765)	(774)
Transfers (to) Group undertakings	-	(254)	(254)
	2,095	7,067	9,162
<b>Accumulated depreciation</b>			
At 1 April 1999	(1,102)	(5,007)	(6,109)
Charge for the year	(75)	(384)	(459)
Disposals	4	719	723
Transfers to Group undertakings	-	247	247
	(1,173)	(4,425)	(5,598)
<b>Written down value at 31 March 2000</b>	922	2,642	3,564

Plant, machinery and vehicles include items acquired under finance leases comprising cost of £733,000 (1999 £733,000), accumulated depreciation of £403,000 (1999 £333,000) and written down value of £330,000 (1999 £400,000). Depreciation charged in the year on these assets amounted to £70,000 (1999 £28,000).

Additions during the year include finance leases entered into amounting to £ nil (1999 £209,000).



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**PILKINGTON AEROSPACE LIMITED**


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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**
**10 Investments - subsidiary undertakings**

	Shares £000
At cost, at 1 April 1999	132
Less: provision against investments	(32)
	<hr/>
At 31 March 2000	100
	<hr/>

Details of subsidiary undertakings are as follows:

Name of company	% equity and voting rights held	Principal activity
Pilkington INTG Glasveredelungs GmbH	51%	Dormant
Pilkington Aerospace do Brasil Ltda	99%	Sale of bullet resistant glazing products

Pilkington INTG Glasveredelungs GmbH is incorporated in Germany and did not trade during the year. As at 31 March 2000, the company had aggregated capital and reserves of £7,000.

Pilkington Aerospace do Brasil Ltda is incorporated and operates in Brazil. As at 31 March 2000, the company had aggregated capital and reserves of (£58,000).

The Directors consider that the aggregate value of these investments is not less than the book value.

Consolidated accounts are prepared by the ultimate parent undertaking (see note 20).

**11 Stocks**

	2000 £000	1999 £000
Raw materials	1,123	1,010
Work in progress	1,347	1,158
Finished goods	811	1,060
	<hr/>	<hr/>
	3,281	3,228
	<hr/>	<hr/>

There is no material difference between the cost of stock as stated and its replacement cost.

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**PILKINGTON AEROSPACE LIMITED**


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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**
**12 Debtors**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year</b>		
Trade debtors	<b>4,151</b>	<b>3,015</b>
Amounts owed by Group undertakings		
- Parent company and fellow subsidiaries	<b>13</b>	<b>30</b>
- Subsidiaries	<b>235</b>	<b>77</b>
Other debtors	<b>208</b>	<b>219</b>
	<hr/> <b>4,607</b> <hr/>	<hr/> <b>3,341</b> <hr/>
<b>Amounts falling due after more than one year</b>		
Other debtors	<b>84</b>	<b>80</b>
	<hr/> <b>4,691</b> <hr/>	<hr/> <b>3,421</b> <hr/>

**13 Creditors - amounts falling due within one year**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts	<b>22</b>	<b>-</b>
Trade creditors	<b>1,728</b>	<b>1,470</b>
Amounts owed to Group undertakings	<b>256</b>	<b>214</b>
Other taxation and social security	<b>142</b>	<b>130</b>
Other creditors	<b>471</b>	<b>286</b>
Amounts owing under finance leases	<b>39</b>	<b>40</b>
	<hr/> <b>2,658</b> <hr/>	<hr/> <b>2,140</b> <hr/>

**14 Creditors - amounts falling due after more than one year**

	<b>2000</b>	<b>1999</b>
	<b>£000</b>	<b>£000</b>
Amounts owing under finance leases		
- in more than 1 year but less than 2 years	<b>42</b>	<b>39</b>
- in more than 2 years but less than 5 years	<b>74</b>	<b>116</b>
	<hr/> <b>116</b> <hr/>	<hr/> <b>155</b> <hr/>

**PILKINGTON AEROSPACE LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**

**15 Provision for liabilities and charges**

	<b>Pensions £000</b>	<b>Warranty £000</b>	<b>Other £000</b>	<b>Total £000</b>
At 1 April 1999	220	298	196	714
Charged to profit and loss account	139	259	21	419
Utilised during year	(77)	(275)	(18)	(370)
At 31 March 2000	282	282	199	763
Maturity profile of provisions				
Within 1 year	60	94	30	184
Between 1 and 2 years	59	94	30	183
Between 2 and 5 years	143	94	90	327
Over 5 years	20	-	49	69
	282	282	199	763

The deferred tax which has not been provided amounted to:

	<b>2000 £000</b>	<b>1999 £000</b>
Capital allowances in excess of related depreciation	386	427
Other timing differences	(185)	(206)
	<u>201</u>	<u>221</u>

**16 Share capital**

	<b>2000 £000</b>	<b>1999 £000</b>
Authorised, allotted, called up and fully paid 9,000,000 ordinary shares of £1 each	<u>9,000</u>	<u>9,000</u>

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**PILKINGTON AEROSPACE LIMITED**


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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000**
**17 Profit and Loss Account**

	£000
At 1 April 1999	(828)
Retained profit for year	526
	<hr/>
At 31 March 2000	(302)
	<hr/>

**18 Commitments and contingent liabilities**

	2000 £000	1999 £000
<b>(a) Capital expenditure</b>		
Contracts placed but not provided for in the accounts	107	157
	<hr/>	<hr/>
<b>(b) Operating lease commitments</b>	2000 £000	1999 £000
The company's operating lease commitments for the following financial year are as follows:		
For non-property leases expiring		
Within one year	-	6
Between two and five years	26	21
	<hr/>	<hr/>
	26	27
	<hr/>	<hr/>

**(c) Other guarantees or contingent liabilities**

- i. At 31 March 2000, the company had contingent liabilities incurred in the ordinary course of business arising out of guarantees and other transactions, including a joint and several liability for VAT under a Pilkington plc group registration. In the opinion of the directors, no material amounts are expected to become payable under these arrangements.
- ii. It is impossible to estimate claims which might arise from an air disaster through the failure in use of windscreens and other glasses supplied for aircraft. The company has taken out product liability insurance for £300 million.

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**PILKINGTON AEROSPACE LIMITED**

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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000****19 Pensions and similar obligations**

The company's employees are members of the Pilkington Superannuation Scheme, which is in the nature of a defined contribution scheme. The pension cost charge for the year amounted to £436,000 (1999 £383,000).

Details of the pension scheme are noted in the accounts of the ultimate holding company, Pilkington plc.

Certain directors and senior management are members of a Group defined benefit scheme. Details of the pension schemes are noted in the accounts of the ultimate holding company, Pilkington plc.

**20 Ultimate and immediate parent undertakings**

The immediate parent undertaking is Pilkington Brothers Limited, registered in England and Wales. This company has not prepared consolidated accounts as the directors regard the ultimate parent undertaking and controlling party to be Pilkington plc, a company registered in England and Wales. Pilkington plc has prepared consolidated accounts for the whole of the Pilkington Group, a copy of which can be obtained from the Company Secretary, Pilkington plc, Prescott Road, St Helens, WA10 3TT.