

PILKINGTON BARNES-HIND HOLDINGS LIMITED

(Company Registration Number: 1909452)

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 1998



PILKINGTON



PILKINGTON BARNES-HIND HOLDINGS LIMITED**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1998**

The directors present their annual report and the audited accounts for the year ended 31 March 1998.

Principal activities and business review

The company acts as a holding company for two non trading subsidiaries and does not trade.

The profit and loss account is set out on page 4. There is no result for the year as the company did not trade.

Directors

The following were directors of the company during the year:

Miss SE Lennon

Mr J McKenna

Mr CR Bayley

Mr RE Bevan

Appointed 23/9/97

Resigned 23/9/97

Directors' interests

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

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

PILKINGTON BARNES-HIND HOLDINGS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

The interests of the directors in the shares of the ultimate holding company, Pilkington plc, at 31 March 1998 and 1997, or date of appointment, were as follows:-

	Ordinary Shares of 50p each	
	1998	1997
Miss SE Lennon	3,174	1,740
Mr J McKenna	5,205	5,205
Mr CR Bayley	2,860	-

	Shares Under Option				
	At 1.4.1997	Options granted	Options lapsed	Options exercised	At 31.3.1998
Miss SE Lennon	4,228	11,800	-	1,389	14,639
Mr J McKenna	110,965	32,440	33,181	-	110,224
Mr CR Bayley	36,888	5,643	-	2,860	39,671

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.

PILKINGTON BARNES-HIND HOLDINGS LIMITED**REPORT OF THE DIRECTORS (CONTINUED)****Statement of Directors' responsibilities (continued)**

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

In accordance with Section 250 of the Companies Act, the company, on 19 March 1998, resolved not to appoint auditors.

By order of the Board



Secretary

10th June 1998

PILKINGTON BARNES-HIND HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £ 000	1997 £ 000
Turnover		-	-
Operating loss		-	(6,463)
Loss on ordinary activities before taxation	2	-	(6,463)
Taxation	3	-	290
Retained loss for the year	8	<u>-</u>	<u>(6,173)</u>

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

NOTE OF HISTORICAL COST PROFITS FOR THE YEAR ENDED 31 MARCH 1998

There is no material difference between the reported result on ordinary activities before taxation and the retained loss for the year and their historical cost equivalents. Similarly, there are no such adjustments in respect of 1997.

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 1998**

	1998 £ 000	1997 £ 000
Loss for the year attributable to shareholders	-	(6,173)
Shareholders' funds at beginning of year	(1,341)	4,832
Shareholders' funds at end of year	<u>(1,341)</u>	<u>(1,341)</u>

PILKINGTON BARNES-HIND HOLDINGS LIMITED

BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £ 000	1997 £ 000
ASSETS EMPLOYED			
Fixed assets			
Investments - subsidiary undertakings	4	-	-
Current assets			
Debtors		-	-
Creditors - amounts falling due within one year	5	(1,341)	(1,341)
Net current assets		-	-
Total assets less current liabilities		<u>(1,341)</u>	<u>(1,341)</u>
FINANCED BY:			
Capital and reserves			
Share capital	6	15,733	15,733
Share premium account		11,005	11,005
Other reserves		-	-
Profit and loss account	7	(28,079)	(28,079)
Equity shareholders' funds		<u>(16,306)</u>	<u>(16,306)</u>
Non-equity shareholders' funds		<u>14,965</u>	<u>14,965</u>
Total shareholders' funds		<u>(1,341)</u>	<u>(1,341)</u>

The accounts on pages 4 to 8 were approved by the Board of Directors on 10th June 1998.



Director

PILKINGTON BARNES-HIND HOLDINGS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

1. Principal Accounting Policies

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the historical cost convention. A summary of the major accounting policies which have been consistently applied, is set out below.

Exemption from Consolidation

The company has taken exemption from preparing consolidated financial statements as it is a wholly owned subsidiary of an ultimate holding company, registered in England and Wales (note 9).

Cash Flow Statement

The company is ultimately a wholly-owned subsidiary of Pilkington plc and the cash flows of the company are included in the consolidated Group Cash Flow Statement of Pilkington plc. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a Cash Flow Statement.

2. Profit on Ordinary Activities before Taxation

The company does not employ any staff. No director received emoluments in respect of services to the company (1997 - Nil).

3. Taxation

	1998	1997
	£000	£000
Overprovision in respect of prior years	-	290

4. Investments - subsidiary undertakings

	1998	1997
	£000	£000
At historical cost		
At 1 April 1997	-	-
Write off	-	-
At 31 March 1998	-	-

PILKINGTON BARNES-HIND HOLDINGS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

Subsidiary undertakings are:-

Name of Company	% Equity held	Principal activity	Country of Operation and Incorporation
Kelvin Insurances Limited	99%	Dormant	England and Wales
Pilkington Barnes Hind Optics Limited	99%	Dormant	England and Wales

5. Creditors - amounts falling due within one year

	1998 £000	1997 £000
Amounts owed to Group undertakings - Subsidiaries	1,341	1,341
	<u>1,341</u>	<u>1,341</u>

6. Share Capital

	1998 £000	1997 £000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
28,000,000 8% non-voting cumulative redeemable preference shares of £1 each	28,000	28,000
1,000,000 8% non-voting participating preference shares of £1 each	1,000	1,000
	<u>30,000</u>	<u>30,000</u>

PILKINGTON BARNES-HIND HOLDINGS LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

6. Share Capital (cont)

	1998	1997
	£000	£000
Allotted, called up and fully paid		
768,000 ordinary shares of £1 each	768	768
14,197,000 8% non-voting cumulative redeemable preference shares of £1 each	14,197	14,197
768,000 8% non-voting participating preference shares of £1 each	768	768
	<u>15,733</u>	<u>15,733</u>

The 8% non-voting, cumulative preference shares are redeemable at par on the company giving one month's notice. At 31 March 1998 there were arrears of dividends payable on these shares amounting to £10,821,702 (1997 - £10,821,702).

7. Movement on Reserves

	Share Premium Account £ 000	Other Reserves £ 000	Profit and Loss Account £ 000	Total £ 000
At 1 April 1997	11,005	-	(28,079)	(17,074)
Retained profit/(loss) for year	-	-	-	-
At 31 March 1998	<u>11,005</u>	<u>-</u>	<u>(28,079)</u>	<u>(17,074)</u>

8. Immediate and Ultimate Holding Company

The immediate holding company is Pilkington Brothers Limited, registered in England and Wales.

The ultimate holding company is Pilkington plc, 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.