

Zeon Chemicals Europe Limited

Report and Financial Statements

31 December 2012



Director

S Komiyama

Secretary

Secretarial Appointments Limited

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol BS1 6BX

Bankers

HSBC plc
33 Holton Road
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South Glamorgan CF6 6SR

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Bracken House
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The Bank of Tokyo – Mitsubishi Limited
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Solicitors

Eversheds LLP
1 Callaghan Square
Cardiff CF10 5BT

Registered Office

16 Churchill Way
Cardiff CF10 2DX

Registered No 2343599

Director's report

The director presents his report and financial statements for the year ended 31 December 2012

Results and dividends

The profit for the year after taxation amounted to £745,000 (2011 – profit of £2,111,000) The director does not recommend a final dividend (2011 – £nil)

Principal activities and review of the business

The company's principal activities during the year continued to be the manufacture and sale of synthetic rubber The company's key financial performance indicators during the year were as follows

	2012 £000	2011 £000	Change %
Turnover	41,308	49,347	(16%)
Total operating profit before interest and tax	790	2,348	(66%)
Profit after tax	745	2,111	(65%)
Shareholders' funds	18,535	18,087	2%
Current assets as % of current liabilities	607%	363%	67%

Company turnover decreased by 16% (2011 – increased by 28%) The company continues to promote expansion of sales of new speciality rubber products

The operating profit for 2012 compared to the operating profit in 2011 was a decrease of 66% (2011 – increase of 58%) The decrease was largely due to reduced sales volume

Shareholders' funds increased by 2% (2011 – decrease 1%)

Future developments

The company aims to continue to promote the emphasis on the speciality rubber products and to continue to grow that area of the business

Principal risks and uncertainties

The principal areas of financial risk to which the company is exposed continue to be in the areas of foreign exchange rate fluctuation and credit

Foreign exchange risk is primarily managed by the means of purchasing as well as selling in the same foreign currency The result is an offset rather a complete elimination of exchange rate risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation Company policies are aimed at minimising such losses, and require that payment terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures Reference is made to a credit reference agency report before granting credit to new customers and to monitor existing customers This procedure helps to mitigate this risk Credit arrangements are reviewed by the directors, as a matter of procedure, to help reduce this risk Details of the company's debtors are shown in note 12 to the financial statements

Fixed assets

The changes in fixed assets during the year are summarised in note 9 to the financial statements

Director's report

Going concern

The director considers the company is well placed, as regards available resources to manage its business risks successfully, and to prosper

After making enquiries, including profit and cash-flow forecasts, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in the preparation of the annual report and financial statements

Director

The director who served the company during the year was as follows

S Komiyama

Director's qualifying third party indemnity provision

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the company is achieved by means of a monthly newsletter.

Regular communications meetings are also held and all employees are invited and encouraged to attend.

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2012, the company had an average of 35 days outstanding in trade creditors (2011 – 43 days).

Disclosure of information to the auditors

So far as the person who was the director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the company's auditor, the director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Director's report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board



S Komiyama

Director

Date 12 June 2013

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is required to

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Zeon Chemicals Europe Limited

We have audited the financial statements of Zeon Chemicals Europe Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report

to the members of Zeon Chemicals Europe Limited

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Briony Kempton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

18 June 2013

Profit and loss account

for the year ended December 2012

	Notes	2012 £000	2011 £000
Turnover	2	41,308	49,347
Cost of sales		(37,832)	(44,160)
Gross profit		3,476	5,187
Distribution costs		(920)	(985)
Administration expenses		(1,766)	(1,854)
Operating profit	3	790	2,348
Interest receivable and similar income	6	2	2
Interest payable and similar charges	7	(22)	(57)
Net finance income on pension scheme obligations	18	125	142
Profit on ordinary activities before taxation		895	2,435
Tax	8	(150)	(324)
Profit for the financial year	16	745	2,111

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2012

	2012 £000	2011 £000
Profit for the year	745	2,111
Actuarial loss relating to pension scheme obligations (note 18)	(390)	(3,338)
Deferred tax relating to actuarial loss (note 8(c))	93	834
Total recognised gains and losses relating to the year	448	(393)

Balance sheet

at 31 December 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Tangible assets	9	7,097	7,331
Investments	10	16	16
		<u>7,113</u>	<u>7,347</u>
Current assets			
Stocks	11	6,910	8,740
Debtors	12	5,706	8,597
Cash at bank and in hand		<u>4,256</u>	<u>1,415</u>
		16,872	18,752
Creditors' amounts falling due within one year	13	<u>(2,780)</u>	<u>(5,171)</u>
Net current assets		14,092	13,581
Total assets less current liabilities		21,205	20,928
Pension liabilities	18	<u>(2,670)</u>	<u>(2,841)</u>
Net assets		<u>18,535</u>	<u>18,087</u>
Capital and reserves			
Called up share capital	14	23,300	23,300
Profit and loss account	15	<u>(4,765)</u>	<u>(5,213)</u>
Shareholders' funds	16	<u>18,535</u>	<u>18,087</u>

The financial statements were approved by the Board of directors for issue on 12 June 2013
and signed on its behalf by


S Komiyama

Director

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land and capital work in progress. Depreciation rates are calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold land and buildings	–	over the lease term
Plant and machinery	–	over 3-20 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Stocks

Stocks are stated at the lower of cost and net realisable value as follows

Cost incurred in bringing each product to its present location and condition

Raw materials and goods for re-sale	–	purchase cost on a first-in, first-out basis
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Research and development

Research and development expenditure is written off as incurred

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

Pensions

Zeon Chemicals Europe Limited operates a defined benefit pension scheme. Contributions are made by the company and the employees to a separately administered fund.

In accordance with FRS 17 'Retirement Benefits', the service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the profit and loss account. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the company's long-term expected return on assets (based on the market value of the scheme assets at the start of the period), are included in the profit and loss account under "net finance charge on pension scheme obligations".

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet net of deferred tax. Any difference between the expected return on assets and that actually achieved is recognised in the statement of total recognised gains and losses along with differences arising from experience or assumption changes.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2012 £000	2011 £000
United Kingdom	11,899	16,745
Other European countries	19,455	21,100
Rest of the world	9,954	11,502
	<u>41,308</u>	<u>49,347</u>

Notes to the financial statements

at 31 December 2012

3. Operating profit

This is stated after charging/(crediting)

	2012 £000	2011 £000
Auditors' remuneration – audit services	36	47
– non-audit services	44	2
Depreciation of owned assets	1,165	1,226
Operating lease rentals – plant hire	67	53
Foreign exchange loss/(gain)	461	(226)

4. Director's remuneration

	2012 £000	2011 £000
Remuneration	159	149

5. Staff costs

	2012 £000	2011 £000
Wages and salaries	3,428	3,275
Social security costs	354	332
Other pension costs	194	191
	3,976	3,798

The average monthly number of employees during the year was made up as follows

	No	No
Office management	12	12
Production	70	71
Technical service	5	5
	87	88

6. Interest receivable and similar income

	2012 £000	2011 £000
Bank interest receivable	2	2

Notes to the financial statements

at 31 December 2012

7. Interest payable and similar charges

	2012 £000	2011 £000
Group interest payable	16	–
Suppliers	6	57
	<u>22</u>	<u>57</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012 £000	2011 £000
Current tax.		
UK corporation tax on the profit for the year	(214)	264
Total current tax (note 8(b))	<u>(214)</u>	<u>264</u>
Deferred tax		
Pension scheme deficit (note 8(c))	197	(82)
Recognition of deferred tax assets (note 8(c))	167	142
	<u>364</u>	<u>60</u>
Tax on profit on ordinary activities	<u>150</u>	<u>324</u>

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	<u>895</u>	<u>2,435</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	219	645
<i>Effects of</i>		
Disallowed expenses and non-taxable income	16	16
Capital allowances in excess of depreciation	(180)	(240)
Other timing differences	(269)	89
Losses brought forward utilised in the year	–	(246)
Current tax for the year (note 8(a))	<u>(214)</u>	<u>264</u>

Notes to the financial statements

at 31 December 2012

8. Tax (continued)

(c) Deferred taxation

The company has a deferred tax asset relating to its pension scheme deficit, which is shown net in the balance sheet (note 18). The movements in this deferred tax are as follows

	£000
At 1 January 2012	947
Amounts charged to the profit and loss account (note 8a)	(197)
Amounts credited to the statement of total recognised gains and losses	93
At 31 December 2012	843

	£000
At 1 January 2012	858
Amounts charged to the profit and loss account	(167)
At 31 December 2012	<u>691</u>

The deferred tax asset at the end of the year relates to

	2012 £000	2011 £000
Decelerated capital allowances	586	858
Tax losses	105	—
Deferred tax asset (note 12)	<u>691</u>	<u>858</u>

(d) Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate were announced in the 2012 Autumn Statement and the March 2013 Budget Statement to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 are both expected to be enacted as part of Finance Act 2013.

Notes to the financial statements

at 31 December 2012

9. Tangible fixed assets

	<i>Short leasehold £000</i>	<i>Plant and machinery £000</i>	<i>Capital work in progress £000</i>	<i>Total £000</i>
Cost				
At 1 January 2012	3,754	28,562	463	32,778
Additions		2	928	931
Transfers	2	711	(713)	–
At 31 December 2012	3,756	29,275	678	33,709
Depreciation				
At 1 January 2012	2,410	23,037	–	25,447
Provided during the year	106	1,059	–	1,165
At 31 December 2012	2,516	24,096	–	26,612
Net book value				
At 31 December 2012	1,240	5,179	678	7,097
At 1 January 2012	1,344	5,524	463	7,331

10. Investments

	<i>2012 £000</i>	<i>2011 £000</i>
Other investments – unlisted	16	16

11. Stocks

	<i>2012 £000</i>	<i>2011 £000</i>
Raw materials	1,928	2,389
Work in progress	302	191
Finished goods	4,680	6,160
	<u>6,910</u>	<u>8,740</u>

12. Debtors

	<i>2012 £000</i>	<i>2011 £000</i>
Trade debtors	2,295	3,185
Amounts owed by group undertakings	2,246	4,235
Corporation tax	114	–
Prepayments and accrued income	360	319
Deferred tax asset (note 8(c))	691	858
	<u>5,706</u>	<u>8,597</u>

Notes to the financial statements

at 31 December 2012

13. Creditors: amounts falling due within one year

	2012	2011
	£000	£000
Trade creditors	2,068	4,214
Other taxes and social security costs	98	108
Corporation tax	–	211
Accruals and other creditors	614	638
	<u>2,780</u>	<u>5,171</u>

14. Issued share capital

		2012		2011
	No	£000	No	£000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	23,300,000	<u>23,300</u>	23,300,000	<u>23,300</u>

15. Movements on reserves

	<i>Profit and loss account £000</i>
At 1 January 2012	(5,213)
Increase in shareholders' funds (note 16)	448
At 31 December 2012	<u>(4,765)</u>

16. Reconciliation of shareholders' funds

	2012	2011
	£000	£000
Profit for the financial year	745	2,111
Other recognised gains and losses relating to the year	<u>(297)</u>	<u>(2,504)</u>
Net increase in shareholders' funds	448	(393)
At 1 January	18,087	18,480
At 31 December	<u>18,535</u>	<u>18,087</u>

17. Capital commitments

The company had capital commitments contracted for but not provided for in the financial statements of £ 382,000 at 31 December 2012 (2011 – £68,000)

Notes to the financial statements

at 31 December 2012

18. Pensions

The company operates a defined benefit scheme. In May 2010 a decision was made to close the defined benefit scheme to future accruals with effect from 1 October 2010. The scheme has been replaced with a defined contribution scheme.

The valuation for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 December 2009. Scheme assets are stated at their market value at the respective balance sheet dates. The major assumptions used by the actuary were:

	2012	2011
	%	%
Rate of increase in pensions in payment	2.7	2.9
Rate of increase in deferred pensions	2.7	3.0
Discount rate for scheme liabilities	4.5	4.9
Inflation assumption	2.7	3.0
Rate of salary increases	not applicable	not applicable
Post retirement mortality (non pensioners)	PA92	PA92
	year of birth	year of birth
	long cohort	long cohort
	+1 age rating	+1 age rating
Post retirement mortality males	87.88	87.81
Post retirement mortality females	90.99	90.93
Pre retirement mortality (currently age 40) males	88.91	88.87
Pre retirement mortality (currently age 40) females	91.92	91.89

Notes to the financial statements

at 31 December 2012

18. Pensions (continued)

The assets in the scheme and the expected rate of return were

	<i>Long-term rate of return expected at 2012 %</i>	<i>Value at 2012 £000</i>	<i>Long-term rate of return expected at 2011 %</i>	<i>Value at 2011 £000</i>
Global Absolute Return Strategy	6.5	11,774	6.5	11,216
Diversified Growth Fund	6.5	8,849	6.5	7,948
Cash	2.0	(25)	2.0	174
Fair value of assets		20,598		19,338
Present value of scheme liabilities		(24,111)		(23,126)
Deficit in scheme		(3,513)		(3,788)
Related deferred tax asset		843		947
Net pension liability		(2,670)		(2,841)

Further contributions of £459,000 per annum are being made in order to eliminate the deficiency in the scheme. The total contributions to be paid by the company to the defined benefit plan in the next year are estimated to be £459,000.

Analysis of the amount charged to operating profit

	<i>2012 £000</i>	<i>2011 £000</i>
Current service cost	–	–
Past service cost	–	925
Total operating charge	–	925

Analysis of the amount charged to other finance costs

	<i>2012 £000</i>	<i>2011 £000</i>
Expected return on pension scheme assets	1,233	1,283
Interest on pension scheme liabilities	(1,108)	(1,141)
Net return	125	142

Notes to the financial statements

at 31 December 2012

18. Pensions (continued)

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	2012	2011
	£000	£000
Actual return on scheme assets	1,759	(856)
Less expected return on scheme assets	(1,233)	(1,283)
	526	(2,139)
Changes in assumptions underlying the present value of the scheme liabilities	(916)	(1,199)
	(390)	(3,338)

The cumulative amount of actuarial gains and losses recognised since 1 January 2002 in the STRGL is a net loss of £7,497,000 (2011 – loss of £7,107,000)

Changes in the present value of the defined benefit obligations are analysed as follows

	2012	2011
	£000	£000
As at 1 January	23,126	20,715
Past service cost	–	925
Interest cost	1,108	1,141
Benefits paid	(1,039)	(854)
Actuarial loss	916	1,199
Obligations in scheme at end of year	24,111	23,126

Changes in the present fair value of plan assets are analysed as follows.

	2012	2011
	£000	£000
As at 1 January	19,338	20,600
Expected return on plan assets	1,233	1,283
Employer contributions	540	448
Benefits paid	(1,039)	(854)
Actuarial gain/(loss)	526	(2,139)
Assets in scheme at end of year	20,598	19,338

Notes to the financial statements

at 31 December 2012

18. Pensions (continued)

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Fair value of scheme assets	20,598	19,338	20,600	18,887	15,883
Present value of defined benefit obligation	(24,111)	(23,126)	(20,715)	(22,125)	(18,170)
Deficit in the scheme	(3,513)	(3,788)	(115)	(3,238)	(2,287)
Experience adjustments arising on plan liabilities	–	–	1,694	–	(316)
Experience adjustments arising on plan assets	526	(2,139)	1,381	2,068	(4,966)

19. Other financial commitments

	2012 £000	2011 £000
Operating leases which expire		
Within one year	6	2
In two to five years	52	52
	<u>58</u>	<u>54</u>

20. Related party transactions

The company has taken advantage of the exemption within FRS 8 which allows related party transactions with other group companies not to be disclosed on the basis that the company is wholly-owned within the group and that group financial statements are publicly available

21. Ultimate parent undertaking and controlling party

The directors regard Zeon Corporation, a company incorporated in Japan, as being the ultimate parent undertaking and controlling party

Group financial statements are prepared by Zeon Corporation, copies of which can be obtained from 2-6-1 Shin Maranouchi, 6-2 Maranouchi, Chiyoda-ku, Tokyo 100-8246, Japan