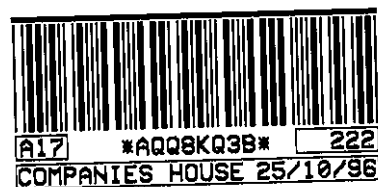


2473148

REPORT AND ACCOUNTS

Zeon Chemicals Pensions Limited

31 DECEMBER 1995



Zeon Chemicals Pensions Limited

Registered No. 2473148

DIRECTORS

M Tomita
N Hada
H Osato
K Ruscoe

SECRETARY

K S Gallon

AUDITORS

Ernst & Young
Southgate House
Wood Street
Cardiff

BANKERS

Lloyds Bank plc
140B Holton Road
Barry

SOLICITORS

Lane & Partners
46/47 Bloomsbury Square
London

REGISTERED OFFICE

46/47 Bloomsbury Square
London

Zeon Chemicals Pensions Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1995.

REVIEW OF THE BUSINESS

The company did not trade in its own account during the year ended 31 December 1995.

PRINCIPAL ACTIVITIES

The business of the Company is to administer the Zeon Chemicals Europe Limited Pension Scheme.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 1995 and their interests in the share capital of the company were as follows:

	<i>At 31 December 1995</i>	<i>At 1 January 1995</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
M Tomita (appointed 30 June 1995)	-	-
N Hada (appointed 31 July 1995)	-	-
K Ruscoe	-	-
H Osato	-	-
Y Iwai (resigned 19 March 1996)	-	-

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board


Secretary

26/4/96

Zeon Chemicals Pensions Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES in respect of the accounts

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. They are 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.

REPORT OF THE AUDITORS
to the members of Zeon Chemicals Pensions Limited

We have audited the accounts on pages 6 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts, and to report our opinion to you.

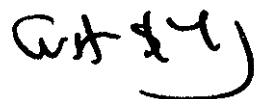
Basis of opinion

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.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Cardiff

26 April 1996

Zeon Chemicals Pensions Limited

BALANCE SHEET at 31 December 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Cash at bank		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>2</u>	<u>2</u>

N. Hada Director

26 April 1996 Date

Zeon Chemicals Pensions Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2 PROFIT AND LOSS ACCOUNT

No profit and loss account has been prepared as the Company does not trade or incur expenditure or revenue on its own account, but merely provides an administration framework for the Zeon Chemicals Europe Limited Pension Scheme trustees.

3 SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	<i>No</i>	<i>No</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	2	2
	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>

4 ULTIMATE PARENT UNDERTAKING

The directors regards Nippon Zeon Co Ltd, a company incorporated in Japan, as being the ultimate parent undertaking.