

Zeon Chemicals Pensions Limited

Report and Accounts

31 December 2001

 **ERNST & YOUNG**



Zeon Chemicals Pensions Limited

Registered No. 2473148

DIRECTORS

H Fujiyama

A Hobbs

T Ishiguro (resigned 31 December 2001)

T Maruyama (resigned 18 October 2001)

K Ruscoe

S Sasaki (appointed 18 October 2001)

SECRETARY

K S Gallon

AUDITORS

Ernst & Young LLP

One Bridewell Street

Bristol

BS1 2AA

BANKERS

Lloyds Bank plc

140B Holton Road

Barry

SOLICITORS

Lane & Partners

15 Bloomsbury Square

London

WC1A 2LS

REGISTERED OFFICE

15 Bloomsbury Square

London

WC1A 2LS

Zeon Chemicals Pensions Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2001.

REVIEW OF THE BUSINESS

The company did not trade in its own account during the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

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

DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31 December 2001 and their interests in the share capital of the company at that date were as follows:

	<i>At 31 December</i>	<i>At 1 January</i>
	<i>2001</i>	<i>2000</i>
	<i>Ordinary</i>	<i>Ordinary</i>
	<i>Shares</i>	<i>Shares</i>
K Ruscoe	-	-
H Fujiyama	-	-
T Maruyama	-	-
A Hobbs	-	-
T Ishiguro	-	-
S Sasaki	-	-

AUDITORS

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

By order of the Board


Secretary

23 May 2002

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; and
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEON CHEMICALS
PENSIONS LIMITED**

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Balance Sheet and the related notes 1 to 4. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Bristol

Date 23 May 2002

Zeon Chemicals Pensions Limited

BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
CURRENT ASSETS			
Cash at bank		2	2
CAPITAL AND RESERVES			
Called up share capital	3	2	2

The company was dormant throughout the year ended 31 December 2001



Director



Date

Zeon Chemicals Pensions Limited

NOTES TO THE ACCOUNTS at 31 December 2001

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>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>No</i>	<i>No</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	2	2
	=====	=====	=====	=====

4. ULTIMATE PARENT UNDERTAKING

The directors regard Zeon Corporation (formerly Nippon Zeon Co Limited), a company incorporated in Japan, as being the ultimate parent undertaking. The company changed its name from Nippon Zeon Co Limited to Zeon Corporation on 30 June 2001.

Group accounts are prepared by Zeon Corporation, copies of which can be obtained from 2-6-1 Maruncchi, Chiyoda-Ku, Tokyo 100, Japan.