

Zeon Chemicals Pensions Limited

Report and Financial Statements

31 December 2003

ERNST & YOUNG



A02	*AM4410Y3*	0672
COMPANIES HOUSE		10/12/04
A30	*M4410Y3*	0650
COMPANIES HOUSE		02/12/04

Zeon Chemicals Pensions Limited

Registered No: 2473148

Directors

H Fujiyama	(resigned 25 June 2003)
A Hobbs	
K Kano	(appointed 25 June 2003)
K Ruscoe	
S Sasaki	(resigned 1 March 2003)
M Shohara	(appointed 1 March 2003)

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

Directors' report

The directors present their report and financial statements for the year ended 31 December 2003.

Review of the business

The company did not trade in its own account during the year ended 31 December 2003.

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 2003 and their interests in the share capital of the company at that date were as follows:

	<i>At 31 December 2003 Ordinary Shares</i>	<i>At 1 January 2002 Ordinary Shares</i>
K Ruscoe	-	-
K Kano	-	-
A Hobbs	-	-
M Shohara	-	-

Auditors

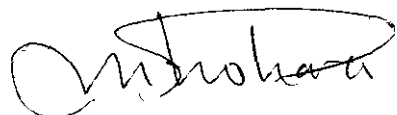
A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

~~Secretary~~ Director

Date

20. Apr. 2004



Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements 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 financial statements, 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 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 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 financial statements 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 2003 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 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.

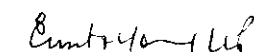
Basis of audit opinion

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 judgements 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 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Registered Auditor
Bristol

26 April 2004

Balance sheet

at 31 December 2003

	Notes	2003 £	2002 £
Current assets			
Cash at bank		2	2
Capital and reserves			
Called up share capital	3	2	2

~~Continued on page 6~~

M. J. L. L. L.
20. Apr. 2004

Director

Date

Notes to the financial statements

at 31 December 2003

1. Accounting policies

Accounting convention

The financial statements 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>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</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.

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