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GREAT LAKES MANUFACTURING (UK) LIMITED

Report and Accounts

31 December 2002

ERNST & YOUNG

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# Great Lakes Manufacturing (UK) Limited

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Registered No. 2624692

## **DIRECTORS**

B P MacConnachie  
J J Gallagher III  
J M Lipshaw

## **SECRETARY**

K W Duros

## **AUDITORS**

Ernst & Young LLP  
100 Barbirolli Square  
Manchester  
M2 3EY

## **BANKERS**

Barclays Bank plc  
4 Water Street  
Liverpool  
L69 2DU

Bank of America NT & SA  
1 Alie Street  
London  
E1 8DE

## **SOLICITORS**

Davies Wallis Foyster  
Harvester House  
37 Peter Street  
Manchester  
M2 5GB

Hammond Suddard Edge  
2 Park Lane  
Leeds  
LS3 1ES

## **REGISTERED OFFICE**

Groat Avenue  
Aycliffe Industrial Park  
Newton Aycliffe  
Co Durham  
DL5 6HA

# Great Lakes Manufacturing (UK) Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2002.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £6,122,000 (2001 restated profit: £12,999,000). Dividends of £8,811,627 were paid in the year (2001: £NIL). The directors do not propose payment of a final dividend.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is the manufacture of speciality chemicals. The company intends to continue to develop and progress over the coming year.

### RESEARCH AND DEVELOPMENT

The company undertakes Research and Development on an ongoing basis to enhance its market position.

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year ended 31 December 2002 were as follows:

R Costello	(resigned 7 March 2002)
D Y Tian	(resigned 30 April 2002)
B P MacConnachie	
M Mathieson	(resigned 1 March 2002)
J Kennedy	(resigned 6 March 2002)
J J Gallagher III	(appointed 7 March 2002)
J M Lipshaw	(appointed 7 March 2002)

There are no directors' interests requiring disclosure under the Companies Act 1985.

### CHARITABLE DONATIONS

The company made charitable donations of £6,018 during the year (2001: £8,292).

### DISABLED EMPLOYEES

The company gives a high priority, where possible, to recruitment and subsequent career development of disabled employees.

### EMPLOYEE INVOLVEMENT

During the year the policy of providing employees with information about the company has been continued through company journals, notice boards and conferences. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the members at the Annual General Meeting.

On behalf of the board

Director

*Bois MacConnachie*

15/2/03

## Great Lakes Manufacturing (UK) Limited

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### 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 Great Lakes Manufacturing (UK) Limited**

We have audited the company's financial statements for the year ended 31 December 2002 which comprise of the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 22. 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**

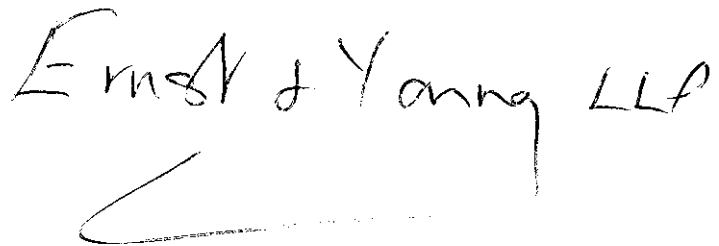
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

**INDEPENDENT AUDITORS' REPORT****to the members of Great Lakes Manufacturing (UK) Limited (continued)****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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP  
Registered Auditor  
Manchester

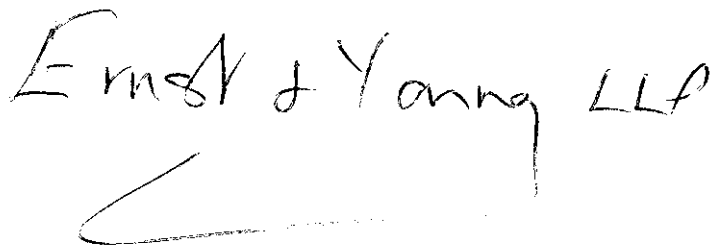


23 SEP 2003

**INDEPENDENT AUDITORS' REPORT****to the members of Great Lakes Manufacturing (UK) Limited (continued)****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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP  
Registered Auditor  
Manchester



23 SEP 2003

# Great Lakes Manufacturing (UK) Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2002

		2002	2001
	Notes	£000	Restated £000
<b>TURNOVER</b> – Continuing operations	2	78,120	77,394
<b>COST OF SALES</b>		(61,588)	(61,860)
<b>GROSS PROFIT</b>		16,532	15,534
Distribution costs		(5,402)	(8,841)
Administrative expenses		(9,756)	(3,730)
Exceptional restructuring costs		244	(4,062)
<b>OPERATING EXPENSES</b>		(14,914)	(16,633)
<b>OPERATING PROFIT/(LOSS)</b> - Continuing operations	3	1,618	(1,099)
Dividend income from fixed asset investments		-	7,918
		1,618	6,819
Interest receivable and similar income	6	7,674	8,815
Interest payable and similar charges	7	(148)	(216)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		9,144	15,418
Tax on profit on ordinary activities	8	(3,022)	(2,419)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		6,122	12,999
Dividends paid		(8,812)	-
<b>RETAINED (LOSS)/ PROFIT FOR THE YEAR</b>		(2,690)	12,999



# Great Lakes Manufacturing (UK) Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2002

	2002 £000	<i>Restated</i> 2001 £000
Profit for the financial year	6,122	12,999
Total recognised gains and losses relating to the year	<u>6,122</u>	<u>12,999</u>
Prior year adjustment (note 1)	(4,093)	
<b>TOTAL GAINS &amp; LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<u><u>2,029</u></u>	

# Great Lakes Manufacturing (UK) Limited

## BALANCE SHEET at 31 December 2002

		2002	2001
	Notes	£000	Restated £000
<b>FIXED ASSETS</b>			
Intangible assets	9	-	-
Tangible assets	10	34,991	32,461
Investments	11	43,307	43,307
		<u>78,298</u>	<u>75,768</u>
<b>CURRENT ASSETS</b>			
Stocks	12	9,108	9,915
Debtors	13	169,646	215,508
Cash at bank and in hand		42,928	17,600
		<u>221,682</u>	<u>243,023</u>
<b>CREDITORS: amounts falling due within one year</b>	14	(121,714)	(138,038)
<b>NET CURRENT ASSETS</b>		<u>99,968</u>	<u>104,985</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>178,266</u>	<u>180,753</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	15	(2,853)	(2,650)
		<u>175,413</u>	<u>178,103</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	-	-
Share premium account	17	25,000	25,000
Capital contribution reserve	17	96,970	96,970
Profit and loss account	17	53,443	56,133
<b>TOTAL SHAREHOLDERS' FUNDS - equity</b>		<u>175,413</u>	<u>178,103</u>

BP Maconnachie

Director

*BP Maconnachie*

15/9/03

# Great Lakes Manufacturing (UK) Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2002

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

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

FRS 19 'Deferred taxation' was issued on 7 December 2000 and is mandatory for years ending on or after 23 January 2002. The adoption of FRS 19 has had no impact on the results for either the current or prior year or on the shareholders' funds at 31 December 2000.

#### *Prior Year Adjustment*

The financial statements include a prior year adjustment in respect of the correction of a fundamental error in the prior years' accounts.

The error relates to the overstatement by £4,659,000 of the goodwill arising on the acquisition of the Process Additives Division of FMC Corporation (UK) Limited in 1999. The goodwill was overstated due to the failure to recognise an asset of £4,659,000 in respect of the fair value of the acquired pension surplus. As a result of actuarial movements since the acquisition the value of the pension asset should have been fully written down by 1 January 2001. The impact of this adjustment is to reduce the shareholders' funds at 1 January 2001 by £4,327,000 and to increase the profit before tax for the year ended 31 December 2001 by £234,000.

#### *Group accounts*

The financial statements present information about the company as an individual undertaking and not about its group. The company is not required to prepare group accounts in accordance with s228 of the Companies Act 1985 as it is a wholly owned subsidiary undertaking of an EU parent. The company is included in the consolidated accounts of Great Lakes Europe Unlimited, a company registered in England and Wales.

#### *Related party transactions*

As a wholly owned subsidiary the company has taken advantage of the exemptions available under Financial Reporting Standard 8 and has not disclosed transactions with fellow members of the Great Lakes Chemical Corporation group.

#### *Cash flow statement*

The company is a wholly owned subsidiary. It has therefore not presented a cash flow statement, as permitted under Financial Reporting Standard 1 (revised).

#### *Goodwill*

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair values of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 1. ACCOUNTING POLICIES (continued)

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings	-	Between 7 and 40 years
Plant and machinery	-	Between 3 and 14 years

#### *Stocks*

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials and goods for resale	-	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 a 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.

#### *Leasing commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

#### *Research and development*

Expenditure on research and development is charged to revenue in the year in which it is incurred.

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 1. ACCOUNTING POLICIES (continued)

#### *Pensions*

Eligible employees of the Company are members of the group defined benefit pension and life assurance plan. The assets of the pension scheme are held in trustee administered funds. It is not possible to identify the company's share of the underlying assets and liabilities of the scheme. Contributions are therefore charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at monthly standard rates. 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.

### 2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover, which is stated net of value added tax, represents amounts invoiced to other Great Lakes Chemical group companies and third parties.

Turnover is attributable to one business segment, the manufacture and merchandising of speciality chemicals. The geographical origin of all turnover and profit before tax is in Europe. Analysis of turnover by geographical market is as follows:

	2002 £000	2001 £000
Europe	33,847	42,920
Asia, Africa & Middle East	42,464	29,304
Americas	1,809	5,170
	<u>78,120</u>	<u>77,394</u>

### 3. OPERATING PROFIT/LOSS

This is stated after charging/(crediting):

	2002 £000	2001 £000
Auditors' remuneration - audit services	29	-
- non audit services	150	-
Depreciation of owned fixed assets	3,324	4,424
Exceptional restructuring costs	(244)	4,062
Research and development costs	1,823	1,741
Operating lease rentals - plant and machinery	225	131
	<u></u>	<u></u>

The exceptional restructuring costs in 2001 consisted of severance costs and an impairment of fixed assets arising due to rationalisation of the Company's manufacturing operations during the year. The credit in 2002 represents a reversal of an over-provision made in 2001.

2001 audit costs were met by a fellow subsidiary undertaking.

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 4. DIRECTORS' EMOLUMENTS

The emoluments of directors of the company are as stated below:

	2002 £000	2001 £000
Emoluments	5	179
	<u>No.</u>	<u>No.</u>
Members of group defined benefit pension schemes	3	5

### 5. STAFF COSTS

	2002 £000	2001 £000
Wages and salaries	10,831	11,629
Social security costs	1,139	1,170
Other pension costs	695	514
	<u>12,665</u>	<u>13,313</u>

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

	2002 No.	2001 No.
Administration	85	87
Manufacturing	259	249
	<u>344</u>	<u>336</u>

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £000	2001 £000
Bank	923	1,152
Group undertakings	6,750	7,646
Other interest	1	17
	<u>7,674</u>	<u>8,815</u>

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2002

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £000	2001 £000
Bank loans and overdrafts	1	2
Other	-	15
Exchange losses on group funding	147	199
	<u>148</u>	<u>216</u>

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in period	2002 £000	2001 £000
<i>Current tax:</i>		
UK Corporation tax on profits of the period	1,840	4,419
Adjustments in respect of previous periods	979	(3,954)
<i>Total current tax (note 8b)</i>	<u>2,819</u>	<u>465</u>
<i>Deferred tax:</i>		
Origination & reversal of timing differences (note 15)	203	1,954
<i>Tax on profit on ordinary activities</i>	<u>3,022</u>	<u>2,419</u>

#### (b) Factors affecting tax charge for period

The tax assessment for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2002 £000	2001 £000
Profit on ordinary activities before tax	9,144	15,418
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	<u>2,743</u>	<u>4,625</u>
Effects of:		
Disallowable expenses	61	448
Capital allowances in excess of depreciation for the period	(964)	(640)
Other short term timing differences	-	(14)
Adjustments to tax charge in respect of previous periods	979	(3,954)
<i>Total current tax (note 8a)</i>	<u>2,819</u>	<u>465</u>

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2002

### 9. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £000
Cost:	
At 1 January 2002 (as previously reported)	7,192
Prior year adjustment (note 1)	(4,659)
	<hr/>
At 1 January 2002 (as restated)	2,533
	<hr/>
At 31 December 2002	2,533
	<hr/>
Amortisation:	
At 1 January 2002 (as previously reported)	3,099
Prior year adjustment (note 1)	(566)
	<hr/>
At 1 January 2002 (as restated)	2,533
	<hr/>
At 31 December 2002	2,533
	<hr/>
Net book value:	
At 31 December 2002	-
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At 31 December 2001 (as restated)	-
	<hr/>

### 10. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £000	<i>Plant and machinery</i> £000	<i>Total</i> £000
Cost:			
At 1 January 2002	5,701	42,548	48,249
Additions	262	5,619	5,881
Disposals	-	(32)	(32)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	5,963	48,135	54,098
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 January 2002	528	15,260	15,788
Charge for the year	193	3,131	3,324
Disposals	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	721	18,386	19,107
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 December 2002	5,242	29,749	34,991
	<hr/>	<hr/>	<hr/>
At 31 December 2001	5,173	27,288	32,461
	<hr/>	<hr/>	<hr/>



# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2002

### 11. INVESTMENTS

	<i>Subsidiary undertakings £000</i>
Cost:	
At 1 January 2002 and 31 December 2002	43,421
Amounts provided for:	
At 1 January 2002 and 31 December 2002	114
Net book value:	
At 31 December 2002	43,307
At 31 December 2001	43,307

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
G L Development Ltd	Cayman Islands	Ordinary shares	52.1%	Investment company

### 12. STOCKS

	<i>2002 £000</i>	<i>2001 £000</i>
Raw materials and consumables	2,172	2,346
Work in progress	-	150
Finished goods	6,936	7,419
	<u>9,108</u>	<u>9,915</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS at 31 December 2002

### 13. DEBTORS

	2002 £000	2001 £000
<i>Amounts falling due within one year:</i>		
Trade debtors	4,884	11,962
Amounts owed by group undertakings	162,027	171,479
Prepayments and accrued income	584	391
Other	2,151	1,333
	<u>169,646</u>	<u>185,165</u>
<i>Amounts falling due in more than one year:</i>		
Amounts owed by group undertakings	-	30,343
	<u>169,646</u>	<u>215,508</u>

### 14. CREDITORS: amounts falling due within one year

	2002 £000	2001 £000
Trade creditors	13,582	14,248
Amounts owed to group undertakings	100,292	111,803
Accruals and deferred income	2,758	5,787
Corporation tax	5,015	6,045
Other tax and social security	67	155
	<u>121,714</u>	<u>138,038</u>

### 15. DEFERRED TAXATION

	£000
At 1 January 2002	2,650
Arising during year (note 8)	203
	<u>2,853</u>
At 31 December 2002	<u>2,853</u>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2002		2001	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Capital allowances in advance of depreciation	3,524	-	2,758	-
Other timing differences	(671)	-	(108)	-
	<u>2,853</u>	<u>-</u>	<u>2,650</u>	<u>-</u>

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 16. SHARE CAPITAL

	<i>No.</i>	<i>2002 £000</i>	<i>No.</i>	<i>2001 £000</i>
Authorised:				
Ordinary shares of £1 each	100	-	100	-
	<i>No.</i>	<i>2002 £000</i>	<i>No.</i>	<i>2001 £000</i>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	52	-	52	-

### 17. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Capital contribution reserve £000</i>	<i>Share premium £000</i>	<i>Profit and loss £000</i>	<i>Total £000</i>
At 1 January 2001 (as previously reported)	96,970	25,000	47,461	169,431
Prior year adjustment (note 1)	-	-	(4,327)	(4,327)
At 1 January 2001 (as restated)	96,970	25,000	43,134	165,104
Profit for the year (as restated)	-	-	12,999	12,999
At 31 December 2001 (as restated)	96,970	25,000	56,133	178,103
Profit for the Year	-	-	6,122	6,122
Dividends Paid	-	-	(8,812)	(8,812)
At 31 December 2002	96,970	25,000	53,443	175,413

### 18. CAPITAL COMMITMENTS FOR FUTURE EXPENDITURE

	<i>2002 £000</i>	<i>2001 £000</i>
Contracted, not provided	289	1,030

# Great Lakes Manufacturing (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 19. OTHER FINANCIAL COMMITMENTS

At 31 December 2002, the company had annual commitments under non-cancellable operating leases, none of which related to land and buildings, as set out below:

	2002 £000	2001 £000
Operating leases which expire:		
Within one year	94	-
In two to five years	110	200
	<u>204</u>	<u>200</u>

### 20. CONTINGENT LIABILITIES

The company is party to bank overdraft set-off arrangements with the parent and other fellow subsidiary undertakings.

Contingent liabilities entered into in the ordinary course of business in respect of tender guarantees and duty deferment bonds totalled £691,678 at 31 December 2002 (2001: £1,427,986).

### 21. PENSION COMMITMENTS

The company is a member of a group pension scheme which covers various UK subsidiaries of Great Lakes Chemical Corporation. The scheme is a defined benefit scheme, contributions to which are based on pension costs across the relevant UK companies as a whole. It is not possible to identify the company's share of the underlying assets and liabilities of the scheme.

The particulars of the scheme are contained in the financial statements of Great Lakes Europe Unlimited, the immediate parent entity of the companies which participate in the UK pension scheme. The updated FRS17 valuation at 31 December 2002 indicates that the group scheme has a deficit of £35,686,000 at that date.

### 22. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Great Lakes Europe Unlimited, a company registered in England and Wales. Copies of Great Lakes Europe Unlimited's accounts can be obtained from the registered office at Groat Avenue, Aycliffe Industrial Park, Newton Aycliffe, Co Durham DL5 6HA.

The ultimate parent undertaking and controlling party is Great Lakes Chemical Corporation which is incorporated in the USA. The accounts of that company may be obtained from 500 E 96<sup>th</sup> Street, Suite 500, Indianapolis, Indiana 46240, USA.