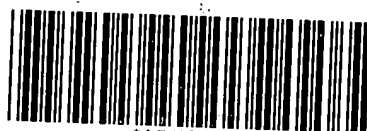


Victrex Manufacturing Limited

Annual Report
Registered number 2845018
30 September 2015

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Strategic report

Business overview

Victrex Manufacturing Limited (the 'Company') is a wholly owned subsidiary of Victrex plc (the 'Group'), an innovative world leader in high performance polymer solutions. We work with customers and end users to provide innovative and technical solutions that help them meet their most difficult design challenges. This enables them to benefit from the unique combination of properties and forms that our range of products provide.

Key performance indicators

> Profit before tax

2015	£73.9m
2014	£66.0m

> Reportable injuries

2015	NONE
2014	NONE

> Notifiable events

2015	ONE
2014	ONE

Financial results

Turnover for the year increased by 13.1% to £199.3m (2014: £176.2m) driven by higher sales in our Electronics and Transport markets, partially offset by Oil & Gas weakness experienced in our Energy market in the second half.

Gross profit increased by 12.2% to £110.4m (2014: £98.4m). Gross margin % remained broadly stable at 55.4% (2014: 55.8%), despite a slightly softer sales mix and the impact of currency headwinds, due to our continued focus on the cost of manufacturing PEEK.

Operating profit was £72.8m (2014: £64.8m), an increase of 12.3% over the prior year driven by the increase in sales. Administrative expenses as a % of sales have remained controlled at 19% (2014: 19%).

At the year end, the Company had cash of £42.1m (2014: £82.5m), with no debt and net assets of £241.0m (2014: £193.6m).

Product and market development

Our strategy of product leadership in PEEK, and other enabling polymers in the polyaryletherketone ('PAEK') family, keeps us focused on larger and more impactful targets. Whilst the scale of market opportunities remains significant, Victrex has chosen to focus on the deliverability and quality of our development pipeline, rather than just the volume of opportunities. On a long-term basis, megatrends across all of our end markets remain strong. We also continue to enhance our differentiated products, through focusing on new grades or IP-protectable technology that is aligned with our transition from materials manufacturer to solutions provider.

Risks, trends, factors and uncertainties

The Company's business may be affected by a number of risks, trends, factors and uncertainties, not all of which are in our control.

Sections of this Strategic Report contain forward-looking statements. These forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future.

Accordingly, actual results may differ materially from anticipated results because of a variety of risk factors, including: changes in exchange rates; changes in global, political, economic, business, competitive and market forces; changes in raw material pricing and availability; changes to legislation and tax rates; future business combinations or disposals; relations with customers and customer credit risk; events affecting international security, including global health issues and terrorism; changes in regulatory environment and the outcome of litigation.

Principal risks

Risks are managed at a Group level, rather than at an individual subsidiary level. The principal risks and uncertainties of Victrex plc, which include those of the Company, include the following:

- Failure to comply with the numerous legislative and regulatory requirements in respect of safety, health and the environment
- Failure to innovate resulting in loss of competitive advantage
- Failure to recruit and retain the right people in all areas of the business
- Product liability claims
- Impact of exchange rate movements
- Failure to maintain a secure supply of high quality products to customers
- Failure or interruption in IT networks and systems
- Exposure to changes and events outside the Company's control, such as external global economic conditions, markets or territories, as well as natural disasters, which may impact the Company's performance and its ability to achieve its strategic objectives

These risks, along with mitigations in place, are discussed in full on pages 22 and 23 of the Group's Annual Report 2015.

By order of the board



L S Burdett

Director

8 December 2015

Directors' report

The Directors present their Annual Report and audited financial statements for the year ended 30 September 2015.

Research and development

Research and development is a key element of the Company's strategy to provide innovative solutions. Spend on research and development increased 10.4% to £8.5m (2014: £7.7m).

Financial instruments

The Company's financial instruments comprise forward exchange contracts (derivative instruments), investments in subsidiary undertakings, cash, and various items arising directly from operations (such as trade debtors, trade creditors etc).

The main risks arising from these financial instruments are foreign currency risk, credit risk, liquidity risk and price risk. These are managed at a group level, and further details can be obtained from the Group's Annual Report 2015 in note 14.

As part of the Victrex plc Group's hedging activities, forward exchange contracts are entered into by the Company to manage the Group's exposure to fluctuations in foreign exchange rates. Most of the forward exchange contracts have maturities of less than one year after the balance sheet date. The Company buys or sells foreign currency at spot where necessary to address any short-term requirements.

Dividends

On 10 September 2015, following a review of intercompany balances, the Company distributed an intercompany loan receivable of £11.4m owed by Victrex USA Holdings Inc to Victrex plc, by way of a dividend in specie.

Directors

The Directors who held office during the financial year and thereafter were as follows:

D R Hummel
T J Cooper
L S Burdett
M L Court (appointed 01/05/2015)

The ultimate parent company Victrex plc maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors and those directors of its subsidiary companies. Indemnities have been granted to the Company's directors by Victrex plc to the extent permitted by law.

Employment policies

Victrex Manufacturing Limited has depth and breadth in the talent of our global workforce. In an increasingly competitive global market, ensuring that we attract, motivate and retain our people remains an on-going theme for Victrex. We have an Organisational Capability Strategy, which supports us to identify and develop the skills and experience we need to deliver our business strategy and shape our people strategy.

In Victrex Manufacturing Limited, diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking style, experience and education. We believe that the wide array of perspectives that result from such diversity promotes innovation and business success.

We operate an equal opportunities policy and provide a healthy environment which will encourage good and productive working relationships within the organisation.

We have a policy of giving full and fair consideration to applications from all backgrounds.

Political contributions

No political donations were made (2014: £nil).

Going concern

The Directors have performed a robust assessment, including review of the budget for the year ended 30 September 2016 and longer term strategic forecasts and plans, including consideration of the principal risks faced by the company, as referred to on page 2. Following this review the Directors are satisfied that the Company and the Group have adequate resources to continue to operate and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. For this reason they continue to adopt the going concern basis for preparing the financial statements.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



L S Burdett
Director
8 December 2015

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are 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 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 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 Directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

St. Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Victrex Manufacturing Limited

We have audited the financial statements of Victrex Manufacturing Limited for the year ended 30 September 2015 set out on pages 8 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

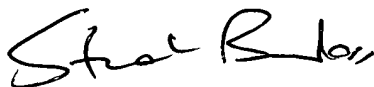
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Stuart Burdass (Senior Statutory Auditor)
for and on behalf of
KPMG LLP
Statutory Auditor
Chartered Accountants
St Peter's Square
Manchester
M2 3AE

8 December 2015

Profit & Loss account

For the year ended 30 September

	Note	2015 £m	2014 £m
Turnover		199.3	176.2
Cost of sales	2	(88.9)	(77.8)
Gross profit		110.4	98.4
Administrative expenses	2	(37.6)	(33.6)
Operating profit		72.8	64.8
Interest receivable		1.1	1.2
Profit before tax		73.9	66.0
Taxation	4	(14.9)	(12.7)
Profit for the year attributable to owners of the Company		59.0	53.3

Other comprehensive income

For the year ended 30 September

	Note	2015 £m	2014 £m
Profit for the year		59.0	53.3
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Defined benefit pension schemes actuarial gain/(losses)	12	1.4	(5.0)
Income tax on items that will not be reclassified to profit or loss	4	(0.3)	1.0
		1.1	(4.0)
Items that may be reclassified subsequently to profit and loss			
Currency translation differences for foreign operations		(0.5)	(0.5)
Income tax on items that may be reclassified to profit or loss	4	(0.8)	(0.2)
		(1.3)	(0.7)
Total other comprehensive expense for the year, net of income tax		(0.2)	(4.7)
Total comprehensive income for the year		58.8	48.6

Balance sheet

As at 30 September

	Note	2015 £m	2014 £m
Assets			
Fixed assets			
Tangible fixed assets	5	238.8	216.5
Intangible assets	6	15.5	7.4
Investments	7	1.1	1.1
Deferred tax assets	8	1.8	2.7
		257.2	227.7
Current assets			
Stocks	9	44.2	32.2
Debtors	10	56.0	47.9
Cash at bank and in hand		42.1	82.5
		142.3	162.6
Creditors: amount falling due within one year	11	(135.3)	(173.1)
Net current assets		7.0	(10.5)
Total assets less current liabilities		264.2	217.2
Provision for liabilities			
Deferred tax liabilities	8	(18.5)	(17.1)
		(18.5)	(17.1)
Net assets excluding pension liabilities		245.7	200.1
Pension liabilities			
Defined benefit scheme	12	(4.7)	(6.5)
Net assets including pension liabilities		241.0	193.6
Capital and reserves			
Share capital	14	1.0	1.0
Special capital reserve	14	1.1	1.1
Translation reserve		(1.5)	(1.0)
Profit and loss account		240.4	192.5
Shareholder's funds		241.0	193.6

These financial statements of Victrex Manufacturing Limited, registered number 2845018, were approved by the Board of Directors on 8 December 2015 and were signed on its behalf by:



L S Burdett

Director

Statement of changes in equity

For the year ended 30 September

	Share capital £m	Special capital reserve £m	Translation reserve £m	Profit and loss account £m	Total £m
Balance at 1 October 2013	1.0	1.1	(0.5)	243.4	245.0
Total comprehensive income for the year					
Profit for the year	-	-	-	53.3	53.3
Other comprehensive expense for the year	-	-	(0.5)	(4.2)	(4.7)
Total comprehensive income/(expense) for the year	-	-	(0.5)	49.1	48.6
Transactions with owners, recorded directly in equity					
Dividends to shareholders				(100.0)	(100.00)
Balance at 30 September 2014	1.0	1.1	(1.0)	192.5	193.6
Total comprehensive income for the year					
Profit for the year	-	-	-	59.0	59.0
Other comprehensive expense for the year	-	-	(0.5)	0.3	(0.2)
Total comprehensive income/(expense) for the year	-	-	(0.5)	59.3	58.8
Transactions with owners, recorded directly in equity					
Dividends to shareholders	-	-	-	(11.4)	(11.4)
Balance at 30 September 2015	1.0	1.1	(1.5)	240.4	241.0

Notes to the financial statements

1. Significant accounting policies

General information

Victrex Manufacturing Limited (the 'Company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is Victrex Technology Centre, Hillhouse International, Thornton Cleveleys, Lancashire, FY5 4QD, United Kingdom.

The Company is a subsidiary undertaking of Victrex plc, which is the ultimate parent undertaking, incorporated in Great Britain and registered in England and Wales.

The smallest and largest group in which the results of the Company are consolidated is that headed by Victrex plc. The consolidated financial statements of this Group are available to the public and may be obtained from Victrex Technology Centre, Hillhouse International, Thornton Cleveleys, Lancashire, FY5 4QD, United Kingdom.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been approved for issue by the Board of Directors on 7 December 2015.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's immediate parent undertaking, Victrex plc includes the Company in its consolidated financial statements. The consolidated financial statements of Victrex plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 18.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of compensation of Key Management Personnel.

Basis of preparation (continued)

As the consolidated financial statements of Victrex plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

The financial statements are prepared on the historical cost basis except that derivative financial instruments are measured at fair value.

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 2.

The Company has significant positive cash balances and has a committed bank facility of £40m which expires in 2017. This facility was undrawn at 30 September 2015 and remained undrawn at 7 December 2015 when these financial statements were approved for issue by the Board of Directors.

The Directors have performed a robust assessment, including review of the budget for the year ended 30 September 2016 and longer term strategic forecasts and plans, including consideration of the principal risks faced by the company, as referred to on page 2. Following this review the Directors are satisfied that the Company and the Group have adequate resources to continue to operate and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. For this reason they continue to adopt the going concern basis for preparing the financial statements.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Details of significant estimates and assumptions are set out in note 16.

The accounting policies set out below have, unless otherwise stated, been consistently applied to all periods presented in these financial statements.

Investments

Investments in subsidiary undertakings are stated at cost less any impairment.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation to balance sheet date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Derivative financial instruments

In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes.

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Any resulting gain or loss on remeasurement of the fair value is recognised immediately in the profit and loss account.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other debtors, cash at bank and in hand, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments

Investments in subsidiaries are carried at cost less impairment.

Tangible fixed assets

Owned assets

All owned items of Tangible fixed assets are stated at historical cost less accumulated depreciation and provision for impairment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

Depreciation

Depreciation is charged to the profit and loss account on a straight line basis over the estimated useful economic lives as follows:

Buildings	30-50 years
Plant and machinery	10-30 years
Fixtures, fittings, tools and equipment	5-10 years
Computers and motor vehicles	3-5 years

Freehold land is not depreciated.

The residual values and useful lives of assets are reviewed annually for continued appropriateness and indications of impairment, and adjusted if appropriate.

Depreciation on assets classified as in the course of construction commences when the assets are ready for their intended use, the point at which they are reclassified from assets under construction, on the same basis as other assets of that class.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account.

Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment. Any impairment provisions that arose during impairment testing would not be reversed.

In respect of acquisitions prior to 1 October 2004, goodwill is included on the basis of its deemed cost, which represents the net amount recorded previously under UK GAAP. In respect of acquisitions that have occurred since 1 October 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the assets, liabilities and contingent liabilities acquired.

Goodwill is tested annually for impairment by reference to the estimated future cash flows of the relevant cash generating unit ('CGU'), discounted to their present value using risk adjusted discount factors to give its value in use. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses are recognised if the carrying amount of the goodwill exceeds its value in use and are recognised in the profit and loss account.

Other Intangible assets

Other intangible assets are stated at cost less accumulated amortisation and any provisions for impairment. The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortisation

Amortisation is charged to the profit and loss account over the estimated useful lives as follows:

Computer software	5 years
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Amortisation on assets classified as in the course of construction commences when the assets are ready for their intended use, the point of which they are reclassified from assets under construction, on the same basis as other assets of that class.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised within the profit and loss account as an expense as incurred.

Development expenditure is recognised in the profit and loss account as an expense as incurred unless it meets all the criteria to be capitalised under IAS 38 – Intangible Assets.

Stocks

Stocks are measured at the lower of cost and net realisable value. The cost of stock is based on the first-in, first-out principle and includes expenditure incurred in acquiring the stock and bringing it to its existing location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cash at bank and in hand

Cash at bank and in hand comprises cash balances, call deposits and other short-term highly liquid investments with original maturities of three months or less.

Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in other comprehensive income or equity as appropriate.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affects neither accounting nor taxable profit except to the extent that they will probably reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are appropriately authorised and are no longer at the discretion of the entity.

Distributions of non-cash assets to the Company's shareholders (including dividends in specie) are measured at the fair value of the net assets to be distributed. Dividend liabilities are remeasured at each reporting date and at settlement, with changes recognised directly in equity.

Turnover

Turnover arises from the principal activity of the manufacture and sale of high performance polymers.

Turnover comprises the amounts receivable for the sale of goods, net of value added tax, rebates and discounts. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

No turnover is recognised if there is significant uncertainty regarding recovery of the consideration due, associated costs or the possible return of goods.

Volume rebates are recognised as a deduction from gross sales as qualified sales are made throughout the period. These rebates are accrued based on the maximum amount due to customers based on annualised sales, unless it is clear that maximum rebate conditions will not be met in a particular period.

Employee benefits

Defined contribution pension schemes

Obligations for contributions to defined contribution pension schemes are recognised as an expense in the profit and loss account as incurred.

Defined benefit pension schemes

The Company's net obligation in respect of defined benefit pension schemes recognised in the balance sheet is the present value of the future benefits that employees have earned in return for their service in the current and prior periods less the fair value of plan assets, together with adjustments for past service costs not yet recognised. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating to the terms of the related pension liability.

When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Company has decided to take advantage of the option under IAS 19 – Employee Benefits to recognise actuarial gains and losses through other comprehensive income as opposed to the profit and loss account.

Ongoing actuarial gains and losses are immediately recognised in full through the statement of comprehensive income.

Share-based payment transactions

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest and include employee service periods and performance targets which are not related to the parent's share price, such as earnings per share growth. The fair value of the options is measured by the Stochastic model, taking into account the terms and conditions upon which the instruments were granted. At each balance sheet date the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

Any failure of Victrex Plc to meet market conditions, which includes performance targets such as share price or Total Shareholder Return, would not result in a reversal of original estimates in the profit and loss account.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium of the parent when the options are exercised.

2. Expenses by nature

	Note	2015 £m	2014 £m
Staff costs	3	39.2	34.1
Depreciation of tangible fixed assets	5	11.5	9.1
Amortisation of intangible assets	6	0.4	-
Loss on disposal of tangible fixed assets	5	0.4	1.3
Operating lease rentals	5	0.4	0.4
Other costs of manufacture		58.2	51.7
Other administrative costs		16.4	14.8
		126.5	111.4

Included within the above is expenditure of £8.5m relating to research and development (2014: £7.7m).

Auditor's remuneration is as follows:

	2015 £000	Restated: 2014 £000
Audit of these financial statements	70	55
Non audit services relating to:		
Interim review*	14	14
Pension advisory services	43	26
Pension fund audit	8	10
Other services	4	-
Total audit and non audit fees	139	105

* The interim review fee paid to the auditor was included within audit fees in the prior year financial statements.

3. Staff costs

	Note	2015 £m	2014 £m
Wages and salaries		29.0	26.3
Social security costs		3.6	3.1
Contributions to defined contribution pension schemes		2.9	2.1
Expenses related to defined benefit pension schemes	12	1.9	1.5
Equity-settled share-based payment transactions	13	1.8	1.1
	2	39.2	34.1

The average number of people employed during the period (including Directors), analysed by category, was as follows:

	2015	2014
Operations	360	326
Technical	52	51
Commercial	27	16
Administration	82	75
	521	468

D R Hummel, T J Cooper, L S Burdett and M L Court were also Directors of the holding company, Victrex plc, and details of emoluments paid were disclosed in the financial statements of that company. No recharge has been made in respect of Directors' emoluments.

4. Taxation

	Note	2015 £m	2014 £m
Current tax			
Current tax		12.8	12.3
UK corporation tax adjustments relating to prior years		0.9	(1.9)
Overseas tax		0.1	0.2
		13.8	10.6
Deferred tax			
Origination and reversal of timing differences	8	0.7	0.8
Deferred tax adjustments relating to prior years	8	0.4	1.3
Total tax expense in profit and loss account		14.9	12.7

	2015 %	2015 £m	2014 %	2014 £m
Reconciliation of effective tax rate				
Profit before tax		73.9		66.0
Tax expense using UK corporation tax rate	20.5	15.1	22.0	14.5
Expenses not deductible for tax purposes		0.4		0.3
Tax effect of losses surrendered by fellow subsidiaries		(1.0)		(0.5)
UK research and development tax credits and other allowances		(0.9)		(0.9)
UK corporation tax adjustments relating to prior years		0.9		(1.9)
Impact of difference between current and deferred tax rates		-		(0.1)
Deferred tax adjustments relating to prior years		0.4		1.3
Effective tax rate	20.2	14.9	19.2	12.7

Tax recognised in other comprehensive income

	2015 £m	2014 £m
Defined benefit pension schemes	(0.3)	1.0
Equity-settled transactions	(0.8)	(0.2)
	(1.1)	0.8

On 26 October 2015 reductions in the corporation tax rate to 19% (from 1 April 2017) and to 18% (from 1 April 2020) were substantively enacted. Accordingly, as a post balance sheet event, deferred tax re-measurement is not required, however applying these rates to the current deferred tax balance would result in a reduction of the liability by £0.8m to £15.9m at 19%, or by £1.7m to £15.0m at 18%.

5. Tangible fixed assets

	Land and buildings £m	Plant and machinery £m	Computers and motor vehicles £m	Fixtures, fittings, tools and equipment £m	Assets in course of construction £m	Total £m
Cost						
At 30 September 2014	22.2	169.6	6.8	0.5	98.0	297.1
Additions	0.4	4.3	1.1	0.1	31.8	37.7
Disposals	(0.3)	(0.3)	(2.1)	-	-	(2.7)
Reclassification	21.4	100.2	0.1	0.1	(121.8)	-
Transfer to Intangible assets	-	-	-	-	(3.6)	(3.6)
Exchange rate difference	-	0.1	-	-	-	0.1
At 30 September 2015	43.7	273.9	5.9	0.7	4.4	328.6
Depreciation						
At 30 September 2014	4.2	71.8	4.4	0.2	-	80.6
Depreciation charge	1.0	9.2	1.2	0.1	-	11.5
Disposals	(0.2)	(0.1)	(2.0)	-	-	(2.3)
At 30 September 2015	5.0	80.9	3.6	0.3	-	89.8
Net book value						
At 30 September 2015	38.7	193.0	2.3	0.4	4.4	238.8
At 30 September 2014	18.0	97.8	2.4	0.3	98.0	216.5

Leased plant and equipment

The Company has no finance lease agreements (2014: none).

Operating lease rentals of £0.4m (2014: £0.4m) relating to the lease of tangible fixed assets are included in the profit and loss account (see note 2). Obligations under operating leases are disclosed in note 15.

6. Intangible assets

	Goodwill £m	Computer software £m	Assets in course of construction £m	Total £m
Cost				
At 30 September 2014	7.4	-	-	7.4
Transfer from Tangible fixed assets	-	-	3.6	3.6
Additions	-	-	4.9	4.9
Reclassification	-	2.9	(2.9)	-
At 30 September 2015	7.4	2.9	5.6	15.9
Amortisation				
At 30 September 2014	-	-	-	-
Amortisation charge	-	(0.4)	-	(0.4)
At 30 September 2015	-	(0.4)	-	(0.4)
Net book value				
At 30 September 2015	7.4	2.5	5.6	15.5
At 30 September 2014	7.4	-	-	7.4

Goodwill

Goodwill has arisen as follows:

	£m	Associated CGU
Acquisitions associated with the supply of our key raw material BDF:		
December 1999	3.5	Victrex
April 2005	3.9	Victrex
	7.4	

7. Investments

	£m
Cost and net book value	
At 30 September 2014 and 30 September 2015	1.1

The Company has one subsidiary undertaking, which is wholly owned, as follows:

	Country of incorporation	Principal activity
Subsidiary undertaking		
Victrex High-performance Materials (Shanghai) Co., Ltd	Peoples Republic of China	Sale of polymers

8. Deferred tax assets and liabilities

	Tangible fixed assets 2015 £m	Employee benefits 2015 £m	Other 2015 £m	Total 2015 £m	Tangible fixed assets 2014 £m	Employee benefits 2014 £m	Other 2014 £m	Total 2014 £m
Deferred tax assets	-	1.6	0.2	1.8	-	2.5	0.2	2.7
Deferred tax liabilities	(18.5)	-	-	(18.5)	(17.1)	-	-	(17.1)
Net tax assets / (liabilities)	(18.5)	1.6	0.2	(16.7)	(17.1)	2.5	0.2	(14.4)

	Tangible fixed assets £m	Employee benefits £m	Other £m	Total £m
Movement in net provision				
At 30 September 2014	(17.1)	2.5	0.2	(14.4)
Recognised in profit and loss account	(1.4)	0.2	-	(1.2)
Recognised in other comprehensive income	-	(1.1)	-	(1.1)
At 30 September 2015	(18.5)	1.6	0.2	(16.7)

9. Stocks

	2015 £m	2014 £m
Raw materials and consumables	22.6	14.1
Work in progress	4.8	4.3
Finished goods	16.8	13.8
	44.2	32.2

The amount of stock expensed in the period is equal to the value of cost of sales.

10. Debtors

	2015 £m	2014 £m
Amounts due within one year:		
Trade debtors	21.9	16.3
Amounts owed by fellow subsidiary undertakings	27.2	23.2
Prepayments	2.7	0.9
Derivative financial instruments	2.0	4.0
Other	2.2	3.5
	56.0	47.9

Trade receivables are considered to be impaired when the amount is in dispute, customers are believed to be in financial difficulty or if any other reason exists which implies that there is a doubt over the recoverability of the debt.

Movements in the allowance for impairments were:

	2015 £m	2014 £m
At beginning of year	0.1	0.1
Utilisation of provision	-	-
At end of year	0.1	0.1

11. Creditors: amounts falling due within one year

	2015 £m	2014 £m
Amounts due within one year:		
Trade creditors	5.9	5.1
Amounts owed to parent, subsidiary and fellow subsidiary undertakings	92.7	145.4
Accruals	28.4	15.8
Current income tax liabilities	2.6	3.4
Derivative financial instruments	4.4	2.2
Other	1.3	1.2
	135.3	173.1

12. Retirement benefit obligations

The principal scheme operated by the Company is a funded UK pension scheme. The scheme has two sections. One section provides benefits on a defined benefit basis with benefits related to final pensionable pay. The defined benefit section was closed to new members from 31 December 2001. From this date new employees have been invited to join the second section that provides benefits on a defined contribution basis.

Regarding our retirement benefit obligations, we announced a proposal in November 2015 to close the UK defined benefit scheme to future accrual. Consultation began on 1 December with an expected completion date of 31 January 2016. Subject to consultation, the scheme will close on 31 March 2016, at which point employees in the defined benefit scheme will be eligible to join the defined contribution scheme.

Defined contribution plan

The total expense relating to the defined contribution plans in the year was £2.9m (2014: £2.1m).

Defined benefit plan

IAS 19 disclosures relating to defined benefits are as follows:

Principal actuarial assumptions

	At 30 September 2015	At 30 September 2014
Discount rate	4.00%	4.00%
Future salary increases	3.50%	3.50%
Future pension increases	3.40%	3.40%
Mortality tables	S1NA CMI 2014 (1.25%)	S1NA CMI 2013 (1.25%)
Life expectancy from age 62 of current pensioners:		
Male	25.1yrs ⁽¹⁾	25.0 yrs ⁽²⁾
Female	27.7yrs ⁽¹⁾	27.6 yrs ⁽²⁾
Life expectancy from age 62 of active and deferred members:		
Male	26.7yrs ⁽³⁾	26.7 yrs ⁽⁴⁾
Female	29.4yrs ⁽³⁾	29.3 yrs ⁽⁴⁾

⁽¹⁾ Life expectancy from age 62 for members aged 62 in 2015.

⁽²⁾ Life expectancy from age 62 for members aged 62 in 2014.

⁽³⁾ Life expectancy from age 62 for members aged 45 in 2015.

⁽⁴⁾ Life expectancy from age 62 for members aged 45 in 2014.

The average duration of the benefit obligation at the end of the reporting period is 23 years (2014: 23 years).

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, inflation rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period assuming that all other assumptions are held constant:

Change in assumption	Increase in fund deficit as at 30 September 2015	Increase in fund deficit as at 30 September 2014
Reduce discount rate by 1% p.a.	£14.7m	£15.5m
Increase inflation expectations by 1% p.a.	£13.1m	£13.9m
Increase salary inflation by 1% p.a.	£3.1m	£3.2m

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases that both depend to a certain extent on expected inflation rates. The above analysis does not take the effect of these interrelationships into account.

Amounts recognised in the balance sheet

	At 30 September 2015 £m	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m	At 30 September 2011 £m
Present value of funded obligations	(57.9)	(57.6)	(49.0)	(43.5)	(39.1)
Fair value of scheme's assets	53.2	51.1	46.5	40.5	33.8
Net liability before deferred taxation	(4.7)	(6.5)	(2.5)	(3.0)	(5.3)
Related deferred taxation asset	0.9	1.3	0.5	0.7	1.3
Net liability after deferred taxation	(3.8)	(5.2)	(2.0)	(2.3)	(4.0)
Change in assumptions and experience adjustments arising on scheme's liabilities	1.1	(6.1)	(2.6)	(1.9)	2.7
Experience adjustments arising on scheme's assets	0.3	1.1	2.0	3.3	(1.7)

Changes in the present value of the funded obligation

	2015 £m	2014 £m
Defined benefit obligation at beginning of year	(57.6)	(49.0)
Service cost	(1.8)	(1.6)
Interest cost	(2.2)	(2.2)
Actuarial gains/ (losses)	1.1	(6.1)
Benefits paid	2.6	1.3
Defined benefit obligation at end of year	(57.9)	(57.6)

During the year ending 30 September 2016 the Group expects to contribute to its defined benefit pension schemes £2.4m, which includes normal contributions together with the second of four deficit funding contributions of £0.9m.

Contribution rates are based on the triennial valuation as at 31 March 2013.

Changes in the fair value of the scheme's assets

	2015 £m	2014 £m
Fair value of scheme's assets at beginning of year	51.1	46.5
Interest income on assets	2.0	2.2
Actuarial gains	0.3	1.1
Contributions by employer	2.4	2.4
Contributions by employee	0.1	0.1
Benefits paid	(2.7)	(1.2)
Fair value of scheme's assets at end of year	53.2	51.1

Major categories of scheme's assets

	At 30 September 2015 £m	At 30 September 2014 £m
UK equities	1.4	9.1
Non UK equities	19.9	12.7
Bonds	15.3	14.4
Gilts	8.7	6.3
Cash	0.6	2.3
Diversified growth	7.3	6.3
Fair value of scheme's assets at end of year	53.2	51.1

Amounts recognised in the profit and loss account

	Note	2015 £m	2014 £m
Current service cost		(1.8)	(1.6)
Contributions by employee		0.1	0.1
Interest on liabilities		(2.2)	(2.2)
Interest income on assets		2.0	2.2
Total included in 'staff costs'	3	(1.9)	(1.5)

Gross amounts of actuarial gains and losses recognised in other comprehensive income

	2015 £m	2014 £m
Cumulative amount at beginning of year	(15.1)	(10.1)
Movement in year	1.4	(5.0)
Cumulative amount at end of year	(13.7)	(15.1)

13. Share-based payments

Where the Company's parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the Group, the Company is recharged by the parent for the cost of these equity-settled share-based payments, which is recognised as a recharge liability. All options are settled by the physical delivery of shares in Victrex plc. The terms and conditions of all the grants are as follows:

Victrex 2005/2015 Executive Share Option Plan ('ESOP')

All employees are eligible to participate. The Victrex plc Remuneration Committee currently excludes executive Directors from participating in this plan. Option awards are based on a percentage of basic salary, not exceeding 100% of salary in each financial year. The exercise price of the options is equal to the market price of the shares on the date of grant. ESOP options are conditional on the employee completing three years' service (the vesting period) and achieving the performance condition where applicable. The level of awards vesting will vary depending on EPS growth. In order for awards to reach the threshold level of vest, the EPS growth of Victrex plc must exceed the Retail Prices Index by 2% per annum. For awards over 33% of salary, the threshold increases to, 3% and to 4% for awards over 66%. Straight line vesting will occur to the extent that EPS growth falls between these average annual EPS growth targets. These options are exercisable from the date of vest to the tenth year anniversary of the grant date.

Victrex 2005/2015 Sharesave Plan

UK resident employees and full-time Directors of Victrex plc or any designated participating subsidiary will be eligible to participate. The exercise price of the granted Sharesave Plan options is equal to the market price of the ordinary shares less 20% on the date of grant.

Victrex 2005/2015 Employee Stock Purchase Plan

US based employees (including executive Directors) are eligible to participate in the Victrex 2005 Employee Stock Purchase Plan. The price payable for each ordinary share shall be a price determined by the Board, provided that it shall not be less than 85% of the lower of the market value of an ordinary share on the date of grant or the date of purchase.

Awards may be granted over a number of ordinary shares determined by the amount employees have saved by the end of a one year savings period.

Victrex 2009 Long Term Incentive Plan ('2009 LTIP')

Each year executive Directors, and senior executives by invitation, are eligible to be awarded options to acquire, at no cost, ordinary shares in the Company up to a maximum equivalent of 150% of basic salary. In exceptional circumstances, such as recruitment or retention, this limit is increased to 200% of an employee's annual basic salary. These awards are satisfied by way of market purchased shares at present.

Awards normally vest in three equal tranches on the third, fourth and fifth anniversaries of grant to the extent that the applicable performance conditions (see below) have been satisfied and provided the participant is still employed in the Company's Group. Participants will have a five year period from the date each tranche vests in which to exercise awards structured as nil (or nominal) cost options.

Participants will receive a payment (in cash and/or shares) on or shortly following the vesting of their awards, of an amount equal to the dividends that would have been paid on those shares between the time when the awards were granted and the time when they vest. Alternatively, participants may have their awards increased as if dividends were paid on the shares subject to their award and then reinvested in further shares.

The extent to which an award will be exercisable is dependent on two independent performance conditions with 50% determined by reference to the Company's Total Shareholder Return ('TSR') and 50% determined by reference to Victrex plc earnings per share ('EPS'):

- The TSR element of an award will vest in full if the TSR ranks in the upper quartile, as measured over the three year period, relative to the constituents of the FTSE 250 Index excluding investment trusts at the beginning of that period. This element of the award is reduced to 25% on a pro rata basis for median performance and is reduced to nil for below median performance; and
- The EPS element of an award will vest in full if EPS growth exceeds inflation, as measured by the Retail Prices Index, by an average of 12% per annum or more over the three year period. This element of the award is reduced to 20% on a pro rata basis if EPS growth exceeds inflation by an average of 5% per annum over the period and is reduced to nil if EPS growth fails to exceed inflation by 5% per annum.

Range of exercise prices and weighted average contractual life

	ESOS and ESOP	Sharesave Scheme and Plan	Stock Purchase Plan	LTIP
Range of exercise prices in the year				
2015	434.3p – 2,052p	906p – 1,633p	-	nil p
2014	434.3p - 1,805p	637p – 1,415p	-	nil p
Weighted average contractual life (years)				
2015	7.8	2.9	0.4	8.3
2014	7.6	2.1	0.4	8.1

Staff costs – equity-settled share-based payment transactions

	Note	2015 £m	2014 £m
ESOP		0.9	0.6
Sharesave Plan		0.4	0.4
LTIP		0.5	0.1
	3	1.8	1.1

14. Share capital and reserves

Share capital

	2015 Number	2015 £m	2014 Number	2014 £m
Allotted, called up and fully paid shares of £1 each				
At beginning and end of year	1,000,000	1.0	1,000,000	1.0

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Special capital reserve

The special capital reserve is the net of £10.0m share premium account and £8.9m goodwill created at the time of the management buy-out from ICI in 1993. This goodwill represents the difference between the consideration paid and the fair value of the assets acquired. Statutory approval for this write off against the share premium account was granted and hence does not affect the distributable reserves of the Company.

Dividends

On 10 September 2015, following a review of intercompany balances, the Company distributed its intercompany loan receivable of £11.4m owed by Victrex USA Holdings Inc to Victrex plc, by way of a dividend in specie.

In the prior period, a final dividend of £100 per share totalling £100m was approved and paid to the parent company, Victrex plc.

15. Operating leases

Total commitments under non-cancellable operating leases are as follows:

	2015 £m	2014 £m
Not later than one year	0.4	0.4
Later than one year but not later than five years	0.7	0.7
Later than five years	2.8	2.8
	3.9	3.9

16. Accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. These should be read in conjunction with the significant accounting policies provided in the notes to the financial statements.

Stock valuation

The valuation of stock includes the absorption of directly attributable costs over a normal level of production. Judgement is used both in identification of directly attributable costs and normal production. The assessment of normal production considers actual, prior period and budgeted production when concluding on the appropriate level. Management use their detailed experience in this process. Stock provisions are put in place for slow moving and potentially obsolete inventory where cost is considered to be higher than net realisable value. The level of provisioning being a judgement based on ageing, customer order profiles, alternative routes to market and the option to re-process.

Pension scheme

The valuation of pension scheme liabilities is calculated in accordance with Company policy. The valuation is prepared by independent qualified actuaries but significant judgements are required in relation to the assumptions for future salary and pension increases, inflation, the discount rate applied, investment returns and member longevity which underpin the valuations. Note 12 contains information about the assumptions relating to retirement benefit obligations.

Tangible fixed assets

In relation to the Company's tangible fixed assets, useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. Assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to a change in the useful economic life or a potential impairment of the carrying value of such assets. Historically, changes in carrying value, useful lives or residual values have not resulted in material changes to either the carrying value of the Company's assets or the annual depreciated expense.

Tax provisioning

The Company operates in a number of geographies and different tax jurisdictions. There is an inherent uncertainty in some of these jurisdictions requiring judgement at period ends over the amount of taxation payable. Management use their experience of each geography along with that of their advisors in estimating the tax charge for the period.

Research and development expenditure

The Company incurs significant expenditure on research and development, both in respect of internal process improvement and product and application development. IAS 38 Intangible Assets sets out strict criteria in respect of capitalising development costs which require an element of judgement to assess if these have been made. The nature of our business is such that new products and applications often need to go through lengthy client testing and regulatory approval, the success of which is inherently uncertain and therefore predicting the outcome requires a significant level of judgement. As such until these phases are complete the expenditure is not considered to meet the IAS 38 criteria, by which point the significant majority of development expenditure has been incurred. Accordingly no development expenditure has been capitalised in the current or prior years.

17. Related party transactions

As a subsidiary undertaking of Victrex plc, the company has taken advantage of the exemption in FRS101.8(k) not to disclose transactions with wholly owned group companies.

In addition the company has taken advantage of the exemption in FRS101.8(j) not to disclose compensation of Key Management Personnel.

There were no other related party transactions in the current or prior period.

18. Ultimate parent company

The immediate and ultimate parent company is Victrex plc, registered in England and Wales. This is the largest and smallest group in to which the company is consolidated. Copies of those group financial statements have been delivered to, and are available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.