

KPMG Peat Marwick

Victrex Limited

(formerly Mandorla Limited)

Directors' report and financial statements

Period ended 31 August 1993

Registered number 2793780



Victrex Limited

Directors' report and financial statements

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Victrex Limited

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 August 1993.

Principal activities and business review

The company was incorporated on 25 February 1993 and has been dormant for the period to 31 August 1993. On 1 October 1993 the company changed its name to Victrex Limited.

Directors and directors' interests

The directors who held office during the year were as follows:

| | Appointed | Resigned |
|-------------|------------------|---------------|
| Poh Lim Lai | 25 February 1993 | 16 April 1993 |
| P J Rowley | 16 April 1993 | - |
| J Bamford | 16 April 1993 | - |
| P J C Syms | 16 April 1993 | - |
| D R Hummel | 16 April 1993 | - |

The directors who held office at the end of the financial period had the following interests in the ordinary shares of the company, as recorded in the register of directors' share and debenture interests:

| | Class of share | Interest at end of period | Interest on date of appointment |
|------------|--------------------|---------------------------|---------------------------------|
| P J Rowley | £1 ordinary shares | 30 | 30 |
| J Bamford | £1 ordinary shares | 20 | 20 |
| P J C Syms | £1 ordinary shares | 20 | 20 |
| D R Hummel | £1 ordinary shares | 30 | 30 |

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Victrex Limited

Directors' report

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 these financial statements, the directors are required to:

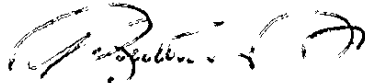
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Auditors

KPMG were appointed auditors after the period end. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



HA Butterworth
Secretary

28 March 1994

York House
Hillhouse International
PO Box 4
Thornton Cleveleys
FY5 4QD

Report of the auditors to the members of Mandorla Limited

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 the company's affairs at 31 August 1993 and of its result for the period from 25 February 1993 to 31 August 1993 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick,

Chartered Accountants
Registered Auditors

29 March 1994

Victrex Limited

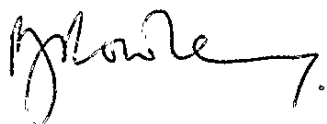
Profit and loss account for the period ended 31 August 1993

The company has not traded during the period.

Balance sheet at 31 August 1993

| | <i>Note</i> | 1993 £ |
|-----------------------------|-------------|------------|
| Current assets | | |
| Cash at bank and in hand | | <u>100</u> |
| Capital and reserves | | |
| Called up share capital | 2 | <u>100</u> |

These financial statements were approved by the board of directors on 24.3.94 and were signed on its behalf by:



PJ Rowley
Director

Victrex Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

2 Called up share capital

| | 1993 £ |
|---|-----------|
| <i>Authorised</i> | |
| Ordinary shares of £1 each | 1,000 |
| <i>Allotted, called up and fully paid</i> | |
| Ordinary shares of £1 each | 100 |

100 ordinary shares of £1 each were allotted during this period to establish the capital structure of the company. These shares have been fully paid up.

3 Post balance sheet events

Victrex Limited acquired the share capital of Victrex USA, Inc, Victrex Manufacturing Limited and Victrex Sales Limited during the course of September 1993. On the 30 September 1993 the assets and trade of the former ICI Thermoplastic Polymer Plant PEEK were purchased. This acquisition was financed by the issue of further equity and debt.