Registered No: 02614599

Techwax Limited

Report and Financial Statements

30 September 2014

Director
F. Jumelet

Secretary
J Charlton

Independent Auditors
PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Bankers
National Westminster Bank Plc
28 Market Place
Barnard Castle
County Durham
DL12 8PT

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Davies Wallis Foyster
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129 Deansgate
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Unit 4B Whinbank Park
Whinbank Road
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DL5 6AY

Strategic report

Principal activity and review of the business

The principal activity of the company is in the manufacture of chemicals in support of drilling activities within the oilfield industry and research, manufacture and sale of a range of acrylates including dispersants, thickeners, binders, scale inhibitors, coagulants and flocculants.

The director is pleased with the trading for the year and look forward to continued profitability in 2015.

Principal risks and uncertainties

There are no significant risks or uncertainties that would hinder the company's continued steady growth. The company continues to enjoy the full support of its ultimate U.S. parent undertaking and thus no risks or uncertainties currently exist which would hinder continued operations in the markets that it operates in.

Risk management objectives and policies

The company acts as a toll manufacturer on behalf of Ashland Industries Europe GmbH and thus it is Ashland Industries Europe GmbH who bears all the exposure to risk on pricing, credit, liquidity and cash flows.

Environmental Matters

The business complies with all current environmental legislation; this is lead by the ultimate U.S. parent company and is audited on a regular basis.

By order of the Board

J Charlton
Secretary
27 June 2015

Director's report for the year ended 30 September 2014

The director presents his report and financial statements for the year ended 30 September 2014.

Results and dividends

The loss for the financial year after taxation amounted to £175,120 (year ended 30 September 2013 – profit of £233,942). The directors do not recommend a dividend for the year (2013: £150,000).

Going concern

The director has considered the company's current and future prospects and its availability of financing, and is satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the director continues to adopt the going concern basis of preparation for these financial statements.

Director

The director of the company who was in office during the year and up to the date of signing the financial statements was as follows:

F Jumelet

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the director has taken all the steps that he is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent auditors

PricewaterhouseCoopers LLP will not be reappointed as auditors at the next Annual General Meeting.

By order of the Board

J Charlton
Secretary

27 June 2015

Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless he is 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

To the members of Techwax Limited

Report on the financial statements

Our opinion

In our opinion, Techwax Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Techwax Limited's financial statements comprise:

- the balance sheet as at 30 September 2014;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report

To the members of Techwax Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of director's responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Michael Jeffrey

Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
30 June 2015

Profit and loss account

for the year ended 30 September 2014

	Note	Year Ended 30 Sep 2014 £	Year ended 30 Sep 2013 £
Turnover	2	2,353,775	11,893,014
Cost of sales		(2,444,526)	(11,750,514)
Gross (loss)/profit		(90,751)	142,500
Administrative expenses	3	(2,061,263)	(2,897,195)
Other operating income		2,070,210	3,025,317
Operating (loss)/profit	4	(81,804)	270,622
Other finance expense		(89,831)	(12,000)
(Loss)/profit on ordinary activities before taxation		(171,635)	258,622
Tax on (loss)/profit on ordinary activities	6	(3,485)	(24,680)
(Loss)/profit for the financial year	12	(175,120)	233,942

The results are derived wholly from continuing operations. There is no material difference between the (loss)/profit for the financial year stated above and their historical cost equivalents.

Statement of total recognised gains and losses

for the year ended 30 September 2014

		Year ended 30 Sep 2014 £	Year ended 30 Sep 2013 £
(Loss)/profit attributable to members of the company		(175,120)	233,942
Actuarial loss recognised in the pension scheme	14	(9,000)	(88,000)
Effect of pension surplus cap	14	110,000	97,000
Total recognised gains and losses relating to the financial year		(74,120)	242,942

Balance sheet

at 30 September 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	7	1,708,664	1,638,015
Current assets			
Debtors	8	1,116,857	1,884,642
Cash at bank and in hand		206,806	459,452
		1,323,663	2,344,094
***Creditors**: amounts falling due within one year*	9	(1,228,441)	(1,947,405)
Net current assets		95,222	396,689
Total assets less current liabilities		1,803,886	2,034,704
Provisions for liabilities	10	(148,625)	(155,323)
Net assets		1,655,261	1,879,381
Capital and reserves			
Called up share capital	11	30,000	30,000
Profit and loss account	12	1,625,261	1,849,381
Total Shareholders' funds	12	1,655,261	1,879,381

The financial statements on pages 7 to 19 were approved by the Board of Directors on 27 June 2015 and signed on their behalf by:

F. Jumelet

Director

Notes to the financial statements for the year ended
30 September 2014

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the financial reporting standards for smaller entities and applicable accounting standards in the United Kingdom. Also in accordance with the provision of the Companies Act 2006 and under the historical cost accounting convention. The accounting policies that follow have been consistently applied to all years presented.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

The company has net current assets of £95,222 (2013 – assets of £369,689). The company meets its day to day working capital requirements through inter-company funding. In view of these circumstances, the director is satisfied that financial support will be available to the company should it be required for the foreseeable future. Accordingly, the director of the company believes that it is appropriate to adopt the going concern basis in preparing the financial statements.

Statement of cash flows

Under the provisions of FRS 1, the company is exempt from the requirement to prepare a statement of cash flows on the grounds that its ultimate parent undertaking, Ashland Inc, incorporated in the United States of America, includes the company in its own published group financial statements.

Turnover

The company acts as a tolling manufacturer for Ashland Industries Europe GmbH. Turnover represents the movement on inventory plus associated mark-up. Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write-off the cost less estimated residual value of tangible fixed assets on a straight-line basis over their expected useful life, as follows:

Leasehold improvements	–	5 years
Plant and machinery	–	3 to 20 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stock is owned by Ashland Industries Europe GmbH under a tolling manufacturing arrangement and is therefore not included in the balance sheet of Techwax Limited.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements for the year ended
30 September 2014

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases and hire purchase commitments

Operating lease rental are charged to the profit and loss account on a straight-line basis over the period of the lease.

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amounts charged to the profit and loss account in respect of the defined contribution scheme represent the contributions payable to the scheme in respect of the accounting period.

Other operating income

Other operating income relates to reimbursement for work undertaken and expenses incurred on behalf of a fellow ISP subsidiary.

2. Turnover

The geographical analysis of turnover by destination is as follows:

	Year ended 30 Sep 2014	*Year ended 30 Sep 2013*
	£	*£*
Europe	2,353,775	11,893,014

3. Administrative expenses

	Year Ended 30 Sep 2014	*Year ended 30 Sep 2013*
	£	*£*
Distribution costs	195,613	446,720
Administration	473,277	1,053,011
Research and development	1,392,373	1,397,464
	2,061,263	2,897,195

Notes to the financial statements for the year ended
30 September 2014

4. Operating (loss)/profit

This is stated after charging:

	Year ended 30 Sep 2014 £	Year ended 30 Sep 2013 £
Auditors' remuneration – audit	5,904	3,421
– non audit services – taxation compliance	39,330	127,590
– non audit services – taxation advisory	-	8,370
Depreciation and amounts written off tangible fixed assets	318,079	350,341
Operating lease rentals – land and buildings	263,559	258,976
Operating lease rentals – plant and machinery	34,296	19,252
Operating lease rentals - other	42,365	33,316

5. Staff costs

	Year ended 30 Sep 2014 £	Year ended 30 Sep 2013 £
Wages and salaries	1,717,724	1,821,159
Social security costs	168,668	192,274
Other pension costs (note 13)	84,848	41,437
	1,971,240	2,054,870

The average monthly number of employees during the year, including directors was made up as follows:

	Year ended 30 Sep 2014 No.	Year ended 30 Sep 2013 No.
Production	19	19
Administration	20	21
Research and development	18	26
	57	66

The remuneration of the company directors in the current financial accounting year were borne by other group companies and are disclosed in the financial statements of those companies. It is not practical to apportion their remuneration between those companies.

Notes to the financial statements for the year ended
30 September 2014

6. Tax on (loss)/profit on ordinary activities

(a) Tax on (loss)/profit on ordinary activities
The tax charge is made up as follows:

	Year ended 30 Sep 2014	*Year ended 30 Sep 2013*
	£	*£*
Current tax:		
UK corporation tax	-	66,784
Adjustments in respect of previous years	10,183	(21,794)
Total current tax (note 6(b))	10,183	44,990
Deferred tax:		
Origination and reversal of timing difference	186	3,092
Adjustment in respect of previous periods	(6,867)	(38)
Effects of changes in tax rates	(17)	(23,364)
Total deferred tax (note 10)	(6,698)	(20,310)
Tax on profit on ordinary activities	3,485	24,680

(b) Factors affecting current tax charge

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK of 22.0% (2013: 23.5%).

The differences are explained below:

	Year ended 30 Sep 2014	*Year ended 30 Sep 2013*
	£	*£*
(Loss)/profit on ordinary activities	(171,635)	258,622
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.00% (2013 – 23.50%)	(37,760)	60,776
Effects of:		
Expenses not deductible for tax	8,507	6,988
Capital allowances in excess of depreciation	(13,573)	(7,328)
Movement in short term timing differences	13,387	6,348
Adjustments in respect of previous years	10,183	(21,794)
Group relief not paid for	13,097	-
Utilisation of tax losses	16,342	-
Current tax for the year (note 6(a))	10,183	44,990

Notes to the financial statements for the year ended
30 September 2014

6. Tax on (loss)/profit on ordinary activities (continued)

(c) Factors affecting future tax charge

The Finance Act 2013 was substantively enacted on 2 July 2013 and provided for a reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and by a further 1% to 20% from 1 April 2015. Accordingly, both of these rate reductions have been reflected in the financial statements. The Company's profits for this accounting period are taxed at an effective rate of 22%.

7. Tangible fixed assets

	Leasehold improvements	*Plant and machinery*	*Total*
	£	*£*	*£*
Cost:			
At 1 October 2013	24,772	3,189,980	3,214,752
Additions	-	545,935	545,935
Disposals		(382,349)	(382,349)
At 30 September 2014	24,772	3,353,566	3,378,338
Accumulated depreciation:			
At 1 October 2013	24,772	1,551,965	1,576,737
Charge for the period	-	318,079	318,079
Disposals		(225,142)	(225,142)
At 30 September 2014	24,772	1,644,902	1,669,674
Net book value:			
At 30 September 2014	-	1,708,664	1,708,664
At 30 September 2013	-	1,638,015	1,638,015

Notes to the financial statements for the year ended
30 September 2014

8. Debtors

	2014	*2013*
	£	*£*
Amounts owed by group undertakings	859,029	1,819,468
Prepayments and accrued income	133,244	65,174
VAT recoverable	124,584	-
	1,116,857	1,884,642

9. Creditors: amounts falling due within one year

	2014	*2013*
	£	*£*
Trade creditors	280,403	731,525
Amounts owed to group undertakings	730,334	952,512
Corporation tax	61,748	66,784
Accruals and deferred income	155,956	196,584
	1,228,441	1,947,405

10. Provisions for liabilities

	Deferred tax
	£
At 1 October 2014	155,323
Charged to profit and loss account (note 6(a))	169
Adjustments in respect of prior years (note 6(a))	(6,867)
At 30 September 2013	148,625

	2014	*2013*
	£	*£*
Deferred tax consists of:		
Accelerated capital allowances	171,266	158,928
Short term timing differences – trading	(2,441)	(3,605)
Losses	(20,200)	-
	148,625	155,323

Notes to the financial statements for the year ended
30 September 2014

11. Called up share capital

Allotted, called up and fully paid	*No.*	*2014* £	*No.*	*2013* £
Ordinary shares of £1 each	30,000	30,000	30,000	30,000

12. Reconciliation of movements in shareholders' funds and movements on reserves

	Called up Share capital £	*Profit and loss account* £	*Total share-holders' funds* £
At October 2013	30,000	1,849,381	1,879,381
Loss for the year		(175,120)	(175,120)
Actuarial gain/(loss) recognised in the pension scheme	-	(9,000)	(9,000)
Effect of pension surplus cap	-	110,000	110,000
Dividends paid		(150,000)	(150,000)
At 30 September 2014	30,000	1,625,261	1,655,261

13. Pension commitments

The company operates a defined contribution pension scheme for which the pension cost charge for the year amounted to £84,848 (2013 – £79,672). At the balance sheet date outstanding contributions were £12,207 (2013 – £18,024).

The Company operates two pension schemes, a defined benefit scheme and a defined contribution personal pension plan. The assets of both schemes are held separately from those of the company in independently administered funds. The defined benefit scheme is closed to all new employees and the last remaining active member left the company's employment on 31 January 2006.

The defined benefit pension scheme provides benefits based on final pensionable pay. Payments made to the funds and charged in the financial statements comprise current and past service contributions. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method.

The most recent actuarial valuation was carried out as at 30th April 2012 and showed that the market value of the scheme's assets was £896,100. This represented 113% of the value of the benefits that had accrued to members, on an ongoing funding basis. This funding level is equivalent to a surplus in the scheme of £101,500. The scheme's administrative expenses are paid out of the scheme funds. The wind-up is well progressed and expenses in 2015 are expected to be lower than incurred in 2014.

The pension scheme has not invested in any of the company's own financial instruments nor in properties or other assets used by the company.

Additional disclosures regarding the group's defined benefit pension scheme are required under FRS 17 'Retirement benefits' and these are set out below.

Notes to the financial statements for the year ended

30 September 2014

14. Pension schemes

The actual valuation described above has been updated at 30 September 2014 by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose at fair value.

The major assumptions used for the actuarial valuation under FRS 17 were:

	2014	*2013*	*2012*
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment and deferment	3.40%	3.40%	2.60%
Discount rate	4.00%	4.50%	4.40%
Inflation assumption (RPI)	3.50%	3.50%	2.60%

The UK Government announced on 8 July 2010 that statutory pension increases or valuations would be based on the Consumer Prices Index (CPI) measure of price inflation from 2011, rather than the Retail Prices Index (RPI) measure of price inflation. There is still some legal uncertainty as to how this will affect UK scheme benefits generally and the Scheme Trustees are considering whether there is a legal or constructive obligation to continue to provide increase or revaluations in line with the RPI. Until this has been resolved, the Company has agreed that pension increases and revaluations will continue to be accounted for on the basis that they were linked to the RPI.

The fair values of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	Long term rate of return 2014	*Value 2014*	*Long term rate of return 2013*	*Value 2013*	*Long term rate of return 2012*	*Value 2012*
	%	*£*	*%*	*£*	*%*	*£*
Equities	–	–	-	-	-	
Bonds	3.00	781,641	3.40	838,000	2.6	825,690
Cash	0.25	70,359	0.25	57,000	0.3	82,310
Total market value of assets		852,000		895,000		908,000
Actuarial value of scheme liabilities		(726,000)		(659,000)		(575,000)
Surplus in the scheme		126,000		236,000		333,000
Effect of surplus cap		(126,000)		(236,000)		(333,000)
Net pension surplus		–		–		–

Notes to the financial statements for the year ended
30 September 2014

14. Pension schemes (continued)

	2014	2013
	£000	£000
Changes to the present value of the defined benefit obligation		
Opening defined benefit obligation	659	575
Current service cost	102	6
Interest cost	28	25
Actuarial losses on scheme liabilities	54	73
Net benefits paid out	(15)	(14)
Expenses paid	(102)	(6)
Closing defined benefit obligation	726	659

	2014	2013
	£000	£000
Changes to the fair value of scheme assets		
Opening fair value of scheme assets	895	908
Expected return on scheme assets	29	22
Actuarial gains/(losses) on scheme assets	45	(15)
Net benefits paid out	(15)	(14)
Expenses paid	(102)	(6)
Closing fair value of scheme assets	852	895

	2014	2013
	£	£
Movement in the surplus during the year/period		
Surplus in scheme at beginning of year/period (capped)	-	-
Contributions paid	-	-
Other finance expense	101,000	9,000
Actuarial loss	9,000	88,000
Effect of surplus cap	(110,000)	(97,000)
Surplus in the scheme at the end of year/period (capped)	-	-

	2014	2013
	£	£
Analysis of other pension costs charged in arriving at operating profit		
Current service cost	102,000	6,000

Notes to the financial statements for the year ended
30 September 2014

14. Pension schemes (continued)

Analysis of amounts included in other finance income/expense

	2014 £	2013 £
Expected return on pension schemes assets	(29,000)	(22,000)
Interest on pension scheme liabilities	28,000	25,000
	(1,000)	3,000

Weighted average life expectancy for mortality tables used to determine benefit obligations at:

	2014 Years	2013 Years
Member age 65 (current life expectancy)	23.4	23.3
Member age 45 (life expectancy at age 65)	25.1	25.1

History of asset values, defined benefit obligation and surplus in scheme and experience gains and losses

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Fair value of scheme assets	852	895	908	842	748
Defined benefit obligation	(726)	(659)	(575)	(510)	(508)
Surplus in scheme	126	236	333	332	240
Difference between expected and actual return on scheme assets	45	(15)	32	62	19
Experience gains/(losses) on scheme liabilities	11	(7)	-	(1)	(3)

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date.

In agreeing the discount rate used in the calculation of the present value of the pension scheme liabilities under FRS17, the directors acknowledge the high degree of judgement involved, and the sensitivity of the calculations to a change in assumptions. The impact of a 0.1% change in the discount rate has an immaterial impact on scheme liabilities, particularly in view of the impact of the surplus cap. The directors also acknowledge their responsibilities for ensuring that actuarial assumptions are suitably updated to reflect changing economic conditions, and they confirm that the 30 September 2014 assumptions have been carefully reviewed with the actuary.

Notes to the financial statements for the year ended
30 September 2014

15. Other financial commitments

At 30 September, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014	*Other 2014*	*Land and buildings 2013*	*Other 2013*
	£	£	£	£
Expiry date				
– within one year			-	
– between two and five years	263,559	40,094	134,589	25,560
	263,559	40,094	134,589	25,560

16. Related party transactions

As a wholly owned subsidiary of Ashland Inc. the company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group headed by Ashland Inc. The group financial statements of Ashland Inc, within which this company is included, can be obtained from the address given in note 17.

17. Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of ISP Holdings (UK) Limited, incorporated in England and Wales.

The largest and smallest group into which the results of the company are consolidated is that headed by Ashland Inc. a company registered in United States of America, and the controlling party of the company.

The consolidated financial statements of Ashland Inc. are available to the public and may be obtained from:

Ashland Inc.
50 E. RiverCenter Blvd
P.O. Box 391
Covington
KY 41012-0391 USA