PV Crystalox Solar PLC
Annual report and accounts 2014

PV Crystalox Solar is a long established supplier to the global photovoltaic industry, producing multicrystalline silicon wafers for use in solar electricity generation systems.

- Cash conservation strategy continued during 2014
- There were no shipments to long-term contract customers
- We have strengthened relationships with new customers in Taiwan and Europe
- Wafer shipments were 212MW (2013: 211MW)

Revenues
€53.3m
2013: €71.4m

Net cash (cash less external loans)
€24.6m
2013: €39.2m

Inventories
€28.6m
2013: €13.0m

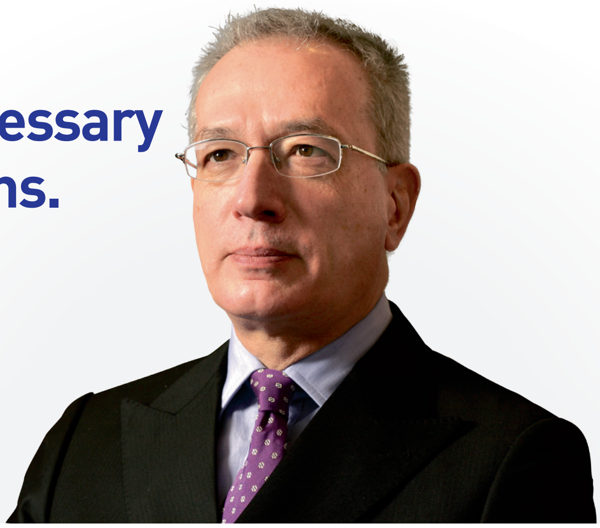
Net cash from operating activities – continuing operations
€(15.7)m
2013: €4.4m

EBT (earnings before taxation) – continuing operations
€(4.7)m
2013: €6.6m

Find more online at
www.pvcrystalox.com

Cash conservation is the necessary response to market conditions.

Our future is dependent upon sensible trading conditions returning to the solar marketplace.



The photovoltaic market continues to experience significant growth in global installations; however, pressure on pricing and international trade disputes make it very challenging for all manufacturers. As a consequence, PV Crystalox Solar has continued to protect shareholder value by operating in cash conservation mode, with some increase in production, albeit at levels far below our maximum capacity, and with a strong focus on cost control.

In 2014 we maintained wafer shipments at the same level as in 2013, but trading volumes of excess polysilicon were significantly lower than in 2013. As a consequence our revenues of €53.3 million were 25% lower than 2013 and our year end polysilicon inventory was €14.2 million higher. There was a reduction in profitability during 2014 mainly due to the negative impact of revised assumptions in respect of the onerous contract provision which was partly offset by higher levels of other income due to a customer settlement received in 2014. As a result the loss before tax from continuing operations was €4.7 million compared to the €6.6 million profit in 2013. Net cash at the year end was €24.6 million which was €14.6 million lower than the €39.2 million held at the end of 2013.

Our employees are one of the Group's key strengths and are vital in ensuring that we retain our core production capabilities. During 2014 we ramped up production volumes in order to consolidate relationships with our newly developed customer base. This required an increase in our staff numbers from 88 at the end of 2013 to 138 at the end of 2014. Many of these additional employees had previously been employed within the Group but had left following the restructuring in 2011 and 2013. I would like to welcome them back and to thank all our employees for their continuing outstanding commitment and contribution.

I would also like to thank Peter Finnegan, who retired from his role as Chief Financial Officer of the Group on 31 May 2014. The Board expresses its gratitude to Peter for his contribution to the success of the Group and wishes him well for the future. Following Peter Finnegan's departure Matthew Wethey took over the Chief Financial Officer role in addition to his role as Group Secretary.

The Board continues to believe that our cash conservation strategy is the necessary response to current market conditions, enabling us to protect shareholder value whilst preserving the Group's core production capabilities. Whilst the Board remains committed to the solar industry, our future is dependent upon sensible trading conditions returning to the solar marketplace.

John Sleeman
Chairman
18 March 2015

The Group has made steady progress during 2014 in its limited objectives to ramp up production output and consolidate relationships with its newly developed customer base, which is mainly in Taiwan.

Operational review of 2014

The Group has made steady progress during 2014 in its limited objectives to ramp up production output and consolidate relationships with its newly developed customer base, which is mainly in Taiwan. However the industry environment remains intensely competitive and continues to be disrupted by US-China trade disputes. Pricing across the value chain has shown considerable volatility and market conditions have deteriorated markedly since the middle of the year with renewed pressure on pricing. Wafer prices saw a modest recovery in late 2013 and peaked in Q1 2014 but have declined thereafter barring a short lived rally in Q4 to reach levels close to historic lows during Q1 2015. Current wafer prices are 10% below the Q1 2014 peak with premium wafers suffering an even greater fall of close to 20%. In contrast the decline in the pricing of polysilicon, the key raw material, has not been less precipitous and has further squeezed already negative margins.

On a positive note the Group's production and material costs, which are primarily incurred in Euro and Japanese Yen, have benefited from foreign currency effects during the year and increasingly so in recent months. Both currencies have significantly weakened against the US Dollar and accordingly costs in US Dollar terms have declined considerably. With wafer market prices denominated in US Dollars the reduction in production costs has effectively offset some of the impact of the market price declines. However, despite these currency effects our production costs exceed market prices.

The Group not only faces the challenge of aligning production costs with market prices but also has to deal with the shrinking accessible customer base for our wafers following the dramatic shift in global manufacturing during recent years. Most EU manufacturers have declared bankruptcy or shutdown operations and solar cell production in Europe has declined alarmingly. Cell production in Japan which had been historically a major manufacturing centre has been drastically reduced as companies have opted to outsource manufacturing. The Group did not make any shipments in 2014 to Japan which had previously been the major market for the Group and accounted for 34% of wafer volumes as recently as 2013. The PV industry is now dominated by companies in other regions within Asia and by companies in China in particular. It is sobering to note that ten of the 20 leading global crystalline silicon solar cell makers are based in China and seven in Taiwan with China-based makers accounting for 55% of global capacity and 20% by those based in Taiwan. The abundance of local suppliers makes competing in the Chinese market impractical and so the Group's focus is on customers in Taiwan and those survivors in Europe, where the weaker Euro is providing a lifeline.

The Group continues to operate in cash conservation mode with reduced output, a strong focus on internal cost reduction and quality improvement programmes. As announced previously in the 2013 Annual Report, production volumes have been increased during 2014 to consolidate links with our new customers. The increased output has enabled wafer shipments (2014: 212MW) to be maintained at levels in line with those achieved in the previous year (2013: 211MW) when almost half was supplied from inventory. Nevertheless, the Group remains cautious and, in view of the unfavourable market pricing, no increase in output is anticipated for 2015 and production levels will be restricted to around 30% of our 750MW operating capacity.

In common with most PV companies the Group is burdened by long-term contractual commitments for purchase of polysilicon which were made during 2008–2010 when market

Experts in multicrystalline silicon wafers

PV Crystalox Solar continues to contribute to making solar power cost competitive with conventional hydrocarbon power generation and, as such, continues to seek to drive down the cost of production whilst increasing solar cell efficiency.

We are the only remaining pure-play wafer manufacturer in Europe and are able to take advantage of any EU-specific manufacturing incentives. The Group exports the vast majority of its wafers to customers around the world.

Our three-stage production process:

1

Ingot production

Multicrystalline silicon ingots are directionally solidified, under carefully controlled conditions, from molten, high-purity polysilicon, in production systems designed and manufactured internally.

100%

Crystalox Limited, Abingdon, UK

However the industry environment remains intensely competitive and continues to be disrupted by US-China trade disputes.

supply was very restricted. As in previous years the Group has continued to negotiate on a periodic basis with its two polysilicon suppliers to modify pricing and volumes under its long-term contracts and has been able to reach accommodation to date. The prices negotiated were significantly below contract prices but were at a premium to market prices. Nevertheless, the agreed polysilicon purchase volumes during the year still significantly exceeded the Group's production requirements. During H1 2014 the Group was successful in trading excess polysilicon at market prices in order to manage inventory. However, as result of market oversupply and changes in Chinese import regulations, trading became much more difficult from the second half of the year onwards and polysilicon inventory has risen accordingly.

The Group's larger polysilicon contract is due to expire at the end of 2015. In the case of the other contract an amendment was formally concluded during 2014 to secure fixed prices significantly below the original contract levels and to reschedule volumes over an extended period.

During 2007 and 2008, Group companies entered into a number of long-term agreements with customers to supply wafers at prices which are very considerably above current market levels. Three wafer supply contracts remained at the start of 2014, although in two cases, customers have entered insolvency and shipments stopped in 2011 and 2012 respectively. Claims had been registered with the respective administrators and a settlement was finally agreed in one case whereby the Group received a cash payment of €8.7 million in August 2014. A settlement with the other customer in insolvency is expected before the end of 2015, although the magnitude of any cash payment is expected to be significantly lower.

The final remaining long-term contract customer is one of the world's leading PV companies which has failed to purchase wafers in line with its contractual obligations. Despite negotiations over the last two years we have been unable to reach an agreement on pricing which would enable us to resume the supply of wafers. Due to the absence of any substantive progress it has become necessary to seek resolution through arbitration and a request has been filed recently with the International Court of Arbitration of the International Chamber of Commerce ("ICC") in Paris.

2

Block production

The sectioning of ingots into blocks is carried out at the Group's facilities in the United Kingdom and by PV Crystalox Solar's partners in Japan. Quality control checks are carried out throughout ingot and block production, resulting in consistent, high performance multicrystalline wafers.

40%
Crystalox Limited, Abingdon, UK

60%
Japanese sub-contractor

3

Wafer production

Wafering of the blocks takes place using wire saws at the Group's facility in Erfurt, Germany, and in Japan by our wafering subcontractor. Wafers are manufactured to meet the highest standards and we work with our customers to increase product quality.

40%
PV Crystalox Solar Silicon GmbH, Erfurt, Germany

60%
Japanese sub-contractor

Delivering to customers worldwide

PV Crystalox Solar supplies multicrystalline silicon wafers to PV companies mainly from Crystalox Limited or directly from its wafering facilities in Germany and Japan.

We collaborate closely with customers to ensure standards are maintained and that any technological developments are passed on quickly.

The current market
An overview of global market trends and statistics
06

The Board continues to view positively the growth prospects for the PV industry but is also mindful of the need to protect shareholder value.

Financial review

Despite wafer sales volumes being in line with the prior year, Group revenue in 2014 decreased by 25.4% to €53.3 million (2013: €71.4 million). This was mainly due to a significant reduction in the level of trading of surplus polysilicon feedstock, with the result that raw material inventories increased by €14.2 million during the year. In addition the average selling price of and the margins achieved for wafers were significantly lower following the ending of sales to contract customers in 2013, when 34% of shipment volumes were sold at a premium to spot prices.

During 2014 the Group recognised other income of €12.1 million which was €9.4 million higher than in 2013. The main reason for this increase was receipt in H2 2014 of a settlement with the administrator of one of the long-term contract customers in insolvency.

The income statement was impacted by negative changes to the onerous contract provision ("OCP") which resulted in an additional charge being recorded in the year. Due to IFRS requirements changes to the OCP impact costs of materials and services, currency gain and finance cost. Details of the onerous contract provision are discussed later in this review.

Within personnel costs, gross wages and salaries at €5.8 million were 12% higher than in 2013. This increase in gross wages and salaries was mainly due to a 9% increase in the number of Group employees, following the increase in production volumes, and a cost of living pay increase which was awarded from 1 January 2014.

The Group's annual depreciation charge in 2014 was a modest €0.3 million. It should be noted that the Group's plant and equipment, which was largely written down between 2011 and 2013, remains available for use and a significant increase in production can be achieved without a significant increase in capital expenditure or an increase in the annual depreciation charge.

Net interest expense was €2.3 million (2013: €3.9 million) mainly due to the unwinding of the discount rate used in the calculation of the Group's OCP.

As a result the Group generated a loss before taxes of €4.7 million (2013: profit of €6.6 million).

When looking at the amounts attributable to equity holders, the €4.7 million loss in 2014 equated to a loss per share of €0.03. In 2013 the profit of €6.2 million on continuing operations was offset by losses of €2.6 million on discontinued operations to give an overall profit in the year of €3.6 million, which resulted in earnings per share of €0.01.

The Group's cash position at year end of €24.6 million was €14.6 million lower than the net position of €39.2 million at the start of the year. €15.7 million of this was from net cash out flows on operating activities. This was partially offset by positive foreign exchange rate changes on cash of €1.3 million. It should be noted that, whilst net cash flows on operating activities included inflows of €0.9 million due to working capital changes, inventories increased from €13.0 million to €28.6 million during 2014.

Onerous contract provision ("OCP")

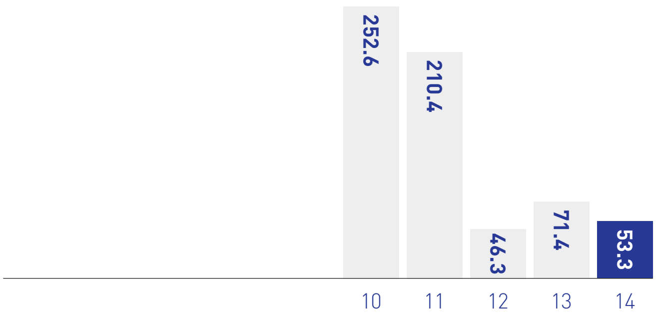
In common with many PV companies, the Group has long-term contractual commitments for the purchase of polysilicon. In the Group's case there are two external supply contracts. These contracts were made to secure the supply of raw material necessary to service the Group's long-term wafer supply contracts. Given the significant decline in market prices for polysilicon and silicon wafers since the contracts were signed, the contracted cost of polysilicon under these agreements means the Group is likely to incur losses in respect of these contracts. Consequently these contracts have become onerous so the Board provides for the present value of the amount at which the Group expects to purchase polysilicon less the amount at which the Group expects to be able to sell polysilicon or wafers taking into account associated manufacturing costs.

The OCP unwinds from period to period as the related contracts move towards expiry and is periodically recalculated to reflect changes in the underlying assumptions. During 2014 the reduction in the onerous contract provision was €11.0 million (2013: €25.5 million). This reduction in the provision was driven by a number of factors. These include:

- €12.6 million of utilisation which was approximately half of the prior year provision, reflecting the fact that the majority of the prior year provision was in respect of the contract ending on 31 December 2015 and the volumes that remain to be taken have halved with only a year of the contract remaining at 31 December 2014.
- There have also been significant foreign exchange gains made against the Euro and the Yen when comparing to the US Dollar selling price, meaning the contract prices have become more favourable to the Group. This reduced the provision by a further €8.9 million.
- These gains were offset by €9.7 million of additional provision required as a result of movements in pricing assumptions where it has been seen over the past six months that the polysilicon sales price the Group has achieved no longer reflects the spot price. As such whilst quarterly negotiations have resulted in a "predictable" purchase price (in that movements have broadly reflected spot movements), the price at which polysilicon can be sold has reduced resulting in an increased loss and therefore an increase in the provision.
- The remainder of the movement is a €2.4 million increase due to the unwinding of the discount rate and €1.6 million of release due to taking lower volumes than expected.

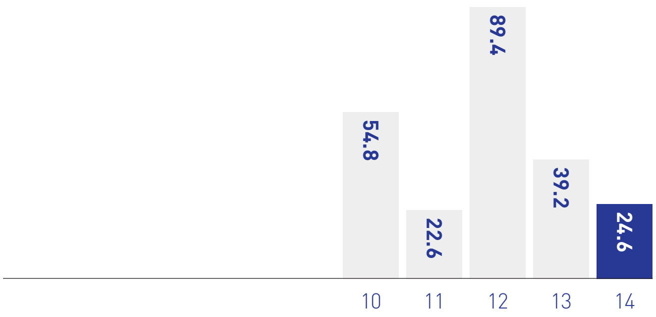
Revenues

€53.3m



Net cash (cash less external loans)

€24.6m



	2014 €'000	2013 €'000
Provisions brought forward	**26,526**	52,047
Unwinding of discount factor	**2,390**	4,597
Additional provision	**9,715**	—
Released	**(1,553)**	(11,652)
Exchange differences	**(8,902)**	(5,736)
Utilised	**(12,634)**	(12,730)
Provisions carried forward	**15,542**	26,526

In determining the closing level of provision required in the current year, assumptions are made as to how the polysilicon is expected to be used and subsequently to calculate the losses that will be generated from that use. In 2013 the Group strategy changed to both produce wafers for sale, subject to demand, and to trade excess polysilicon as opposed to trading all future purchases of polysilicon. This strategy operated in 2014; however, the price at which the excess polysilicon could be traded and the value it has in production of wafers have converged to mean there is now no difference in margin whether it is traded or used in manufacture. Accordingly the decision to either trade polysilicon or manufacture wafers has no impact on the OCP.

Going concern

The Group's directors continue to operate its cash conservation strategy to enable the Group to manage its operations whilst market conditions remain difficult.

A description of the current market conditions and the Group's actions to conserve cash are included in the Strategic Report.

As part of its normal business practice, the Group regularly prepares both annual and longer-term plans which are based on the directors' expectations concerning key assumptions. The assumptions around wafer and polysilicon sales volumes and prices and contracted polysilicon purchase volumes and prices are based on management's expectations which are consistent with the Group's experience in 2014 and in the first part of 2015.

The Group has long-term contracts with two external suppliers for the purchase of polysilicon, our main raw material. The Group's management has been successful in reaching accommodation with these suppliers to secure periodic contract amendments and to adjust prices and volumes. As a result, these amendments have brought the terms more in line with current market pricing. To manage inventory levels and a positive cash position the Group will continue to sell surplus polysilicon during 2015.

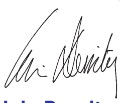
The nature of the Group's operation means that it can vary production levels to match market requirements and to balance the requirements of the Group's customers. During Q1 2014 the Group doubled production output compared to 2013. This was as a result of wafer production cost reductions and to consolidate existing customer relationships and to develop new ones. The Group maintained production at that level during 2014 and this has continued in Q1 2015. These customers were based in Taiwan and the two largest Taiwanese customers accounted for 61% of Group revenue in 2014.

As a result of these actions and related modelling assumptions the Group's base plans indicate that the Group will be able to operate within its net cash reserves for the foreseeable future. On 31 December 2014 the balance of cash or cash equivalents was €24.6 million.

Therefore, whilst any consideration of future matters involves making a judgement at a particular point in time about future events that are inherently uncertain, the Directors, after careful consideration and after making appropriate enquiries, are of the opinion that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Thus the Group continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Outlook

Double digit growth in global PV installations is again forecasted for 2015 but there is little expectation in the short term of any relief of the pricing pressure that has been experienced in recent months. This challenging market and the irrational behaviour of participants is expected to endure during the year and so the Board does not expect any return to profitability for the underlying business during 2015. The Board continues to view positively the growth prospects for the PV industry but is also mindful of the need to protect shareholder value. Accordingly it will be imperative during the forthcoming period to establish definitively whether the Group can achieve a cost structure which is compatible with market pricing.



Iain Dorrity
Chief Executive Officer
18 March 2015

A growing global market with a positive long-term outlook.

Double-digit growth in global PV installations is again forecasted for 2015.

Markets

Global growth

According to a recent report from Deutsche Bank, solar is set to become a major electricity source around the world, generating $5 trillion in revenue over the next 15 years, and displacing large amounts of fossil fuels. A ten-fold increase in the solar market is expected by 2030, as more than 100 million customers are added, and solar's share of the electricity market jumps to 10%. By 2050, the report suggests, solar's market share will grow to 30%, with penetration rates increasing more rapidly in developing economies.

Global PV installations grew strongly in 2014 with market analysts estimating levels in the range 45–48GW corresponding to an increase of 15–20% over 2013.

China

China was again the largest market and accounted for almost 25% of global demand with installations reaching 10.6GW. This represented around one-third of China's PV module output and was in line with the official target of the National Energy Administration ("NEA") announced in January 2013 to install a minimum 10GW per year during the years 2013–2015. The NEA indicated in January 2015 that it wants to increase the target for 2015 installations to 15GW of which distributed generation (e.g. domestic and commercial rooftops) will make up 7GW, a 200% rise on the 2.3 GW installed last year.

Japan

Japan retained its position as the second largest market for the second year running and is thought to have installed over 8GW of new capacity during 2014, according to analysis by research firm RTS PV. Japan has five years remaining of its FIT policy which was introduced in 2012 and is expected to put out solid future growth targets during this year. With a pipeline of over 50GW of PV projects already approved by Japan's trade ministry robust demand is expected to continue in the medium term.

United States of America

The US solar market continues its impressive growth with installations in the first three quarters of 2014 up 50% on the same period last year. Full year installations are expected to be around 6GW and will consolidate the USA's position as the third largest global market.

United Kingdom

According to analysis by NPD Solarbuzz, the UK's cumulative PV capacity has now reached an important milestone and the UK has become only the sixth country to have more than 5GW capacity.

Cumulative installations

Germany remains the undisputed leader with more than 36GW. China, Japan, Italy and the US each have more than 10GW installed.

International trade disputes

Following a period of calm in the latter part of 2013, PV industry trade disputes erupted again during 2014.

US investigation into Chinese solar products

In January 2014 the US government officially opened another anti-dumping and anti-subsidy investigation into Chinese solar products imported into the US. The decision followed a petition at the end of 2013 in which it claimed that existing anti-dumping levies imposed in 2012, of up to 35%, were being circumvented by China's manufacturers who were exploiting a loophole by using cells from Taiwan and elsewhere for their modules.

In July 2014 the US Department of Commerce ("DoC") announced preliminary anti-dumping duties which were subsequently finalised in January 2015 when the US International Trade Commission determined that Chinese modules using Taiwanese components have caused injury to the US solar manufacturing industry. The key vote means that trade tariffs (19.5–27.5%) set by the DoC in December will continue towards implementation unless a negotiated solution can be found between the two governments.

Previously in December 2014 the US Department of Commerce announced the outcome of their preliminary review of anti-dumping and countervailing duty rates for the original 2012 enquiry into module imports from China. In a surprising move, combined rates were slashed to 17.5% for most of the Tier 1 producers well below the 30–35% rates originally imposed.

As result of these recent decisions, it is expected that Chinese module producers will revert to using Chinese cells rather than those from Taiwan and pay the 17.5% duty under the revised 2012 ruling. The US market was the indirect destination for 50% of Taiwan cell exports and consequently the impact on Taiwan cell companies is likely to be severe. In an attempt to sidestep these duties several Taiwan companies have indicated that they are looking at relocating some production to Malaysia, Vietnam and Thailand.

Chinese investigation into polysilicon imports

In May 2014 the anti-dumping enquiry into polysilicon imports into China was finally concluded. The Chinese Ministry of Commerce ("MOFCOM") announced that anti-dumping duties of 42% and 1.2% anti-subsidy duties will apply to German, Italian and Spanish companies for two years. Polysilicon imports from the German company Wacker Chemie AG have been spared duties because of the company's "price commitments" given to MOFCOM. An earlier enquiry had imposed tariffs of up to 57% on polysilicon imports from USA and South Korea.

United States

6GW

- Installations around 50% more than in 2013
- Third largest global market in 2014

United Kingdom

2.3GW

- Only sixth country with more than 5GW of installed capacity

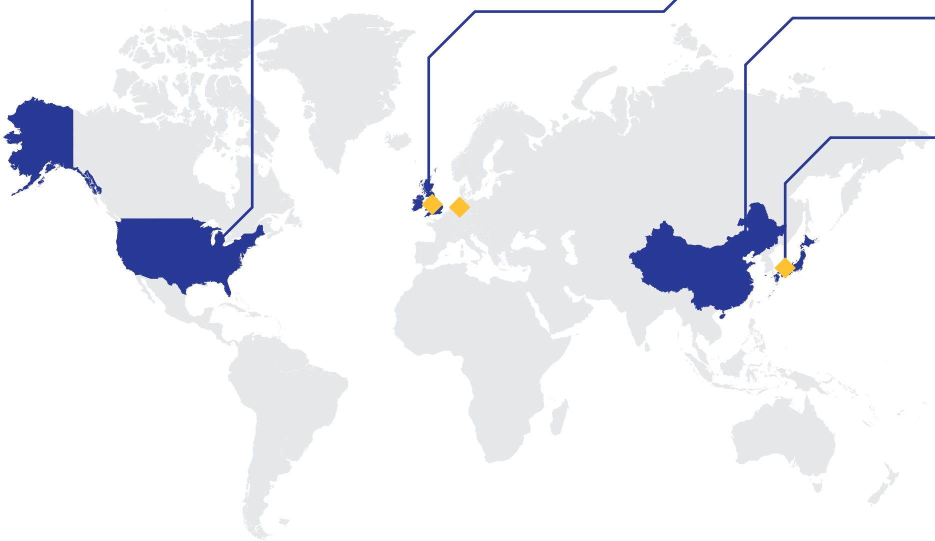
China

10.6GW

- Target of 15GW installed capacity in 2015
- Largest global market in 2014

Japan

- Five years remaining of its feed in tariff policy
- Significant pipeline of PV projects already approved
- Second largest global market in 2014



Our key operating locations

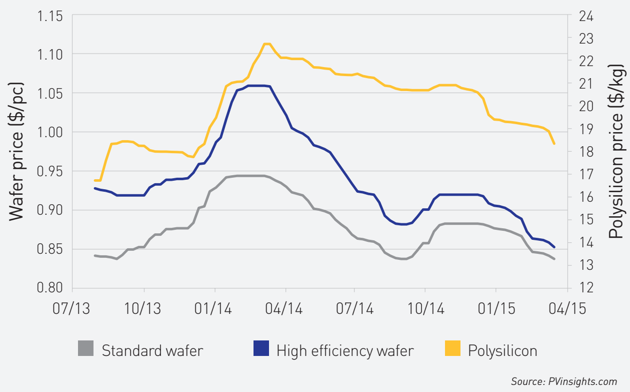
In a further tightening of controls on polysilicon imports, China announced in August 2014 that it was halting temporary imports of polysilicon from 1 September 2014. Previously PV companies were able to import the polysilicon under "processing trade" rules and avoid duties, if the finished product, e.g. cells/modules, was exported. Polysilicon imports under processing trade rules had surged after China first imposed duties in 2013.

EU action

In contrast the EU response has been muted, with the EU actually reducing the minimum module price ("MIP") for Chinese imports in 2014 to €0.53/W from the €0.56/W which had been agreed in the negotiated settlement following the EU anti-dumping enquiry concluded in 2013. However there is speculation that the minimum price will be increased from 1 April 2015 due to the weakening of the Euro.

Despite extensive complaints that Chinese companies are violating the agreement and selling products below the minimum price the EU has been reluctant to take any action. There are indications that this policy might be about to change, as following Dutch press reports of import violations it is rumoured that the EU may open a circumvention case into Chinese solar modules exported via third party countries such as Malaysia and Taiwan. This could result in the highest duty of 67.9% on Chinese modules being extended to all exporters in these countries that are not granted an exemption. Furthermore, press reports have suggested that following an investigation into possible breaching of the MIP conditions the European Commission is considering the withdrawal of the price undertaking from some Chinese manufacturers, potentially exposing them to the much higher anti-dumping and countervailing tariffs set in 2013.

Polysilicon and wafer price 2013-15



Our strategy and KPIs
How we will remain one of the PV industry's cost leaders
08

With no signs of improvement in current market conditions the Group will continue with its cash conservation strategy in 2015.

Cash conservation focus

The Group will continue to operate in cash conservation mode with reduced output, a strong focus on internal cost reduction and quality improvement programmes. In view of the unfavourable market pricing, no increase in output is anticipated for 2015 and production levels will be restricted to around 30% of our 750MW operating capacity.

Operational priorities:

Cash conservation

How we will achieve this in 2015
- Production output at approximately 30%
- Retain operational capabilities
- Trade excess polysilicon and reduce inventory

2014 priorities
- Production output at approximately 30%
- Retain operational capabilities
- Trade excess polysilicon

Continued focus on operating cost reductions

How we will achieve this in 2015
- Negotiate improved polysilicon pricing
- Other supplier price reductions
- Production efficiencies
- Higher yields

2014 priorities
- Negotiate improved polysilicon pricing
- Other supplier price reductions
- Production efficiencies
- Higher yields

Retain flexibility of production

How we will achieve this in 2015
- Actively manage our polysilicon supply contracts
- Wafer production in Germany and Japan

2014 priorities
- Actively manage our polysilicon supply contracts
- Geographical diversity in wafer production

KPIs

Wafer shipments	Revenue on continuing operations	EBT on continuing operations	Net cash from operating activities on continuing operations
212MW	€53.3m	€(4.7)m	€(15.7)m
2013: 211MW (+0.5%)	2013: €71.4m (-25.4%)	2013: €6.6m	2013: €4.4m

Our vision

Our vision is to remain one of the PV industry's cost leaders and to supply quality wafers.

Business priorities:

Focus on further developments of silicon processing technology

How we will achieve this in 2015

- Work with customers to increase product quality and develop the next generation of wafer technology

2014 priorities

- Work with customers to increase product quality and develop the next generation of wafer technology

Continued focus on major PV companies

How we will achieve this in 2015

- Enhance relationships with existing customers
- Develop new customers

2014 priorities

- Enhance relationships with existing customers
- Develop new customers

1 Free cash flow is defined using net cash from operating activities less cash used in investment activities less interest received.

Free cash flow on continuing activities[1]	Net cash	Basic (loss)/earnings per share	Inventories
€(16.0)m	€24.6m	€(0.030)	€28.6m
2013: €2.2m	2013: €39.2m (-37.2%)	2013: €0.010	2013: €13.0m (+120.0%)

Effectively managing the risks the Group faces.

One of the key mitigating strategies has been the continuation of the cash conservation measures described in the Operational and Financial Review. The key risks to which the Group is exposed are described below.

The Group might be affected by a number of risks, which may have a material adverse effect on our reputation, operations and/or financial performance. The risks associated with the Group's financial instruments are detailed in note 30 in the Notes to the Consolidated Financial Statements.

The Group is exposed to a number of other risks, some of which may have a material impact on its results. It is not possible to identify or anticipate every risk that may affect the Group, some of which may not be known or may not have been assessed. Our overall success as a global business depends, in part, upon our ability to succeed in different economic, social and political environments and manage and mitigate such risks.

Risk and status	Nature of risk	Mitigating actions
Price of wafers on the spot market remain below cash cost of production	The Group has previously sold wafers under long-term contracts and at spot prices. As pricing on the spot market decreased during the last three years we cooperated with our long-term contract customers and offered lower prices but at a premium to spot prices. The Group no longer has significant active long-term contracts that provide pricing protection. It is thus important that the Group's cash cost of production is broadly in line with market prices in order to avoid significant cash burn.	• Lowering production costs. • We negotiate with our suppliers to achieve polysilicon prices at close to the spot price where possible. • Temporary reduction in ingot and wafer production output. • Continuing cash conservation measures. • Maintaining a strong balance sheet which gives the Group the strength to weather the ongoing price squeeze.
Contracted polysilicon feedstock continues to exceed our own internal requirements	The Group obtains polysilicon feedstock through two long-term contracts, where pricing is significantly above current market levels. Due to our reduced wafer production output the contracted volume is significantly in excess of the Group's requirements.	• We look to obtain flexibility in terms of price, volume and timing of deliveries by negotiating amendments to the terms of our long-term contracts with our suppliers. • We have and will continue to trade excess volumes of polysilicon feedstock. However, as result of market oversupply and changes in Chinese import regulations, trading became much more difficult from the second half of the year onwards and polysilicon inventory has risen accordingly.
Our reliance on other key suppliers	The Group is solely reliant on certain key suppliers for some goods and services. Should any of these key suppliers cease supply it might impact the Group's ability to meet production targets.	• We have long-term relationships which help protect our access to goods and services provided by our key suppliers. • We look to develop relationships with alternative suppliers such that we could obtain those goods and services at short notice, if required.

Risk status[1]

- Increase in risk level
- No change in risk level
- Decrease in risk level

1 Risk status refers to the current status of a particular risk as compared to the previous year. The risk may be classified as having increased, decreased or remained approximately the same as the previous year.

Risk and status	Nature of risk	Mitigating actions
Shrinking customer base (Increase in risk level)	With many companies exiting the PV industry either voluntarily or through insolvency and the increasing dominance of Chinese players the accessible customer base is getting smaller. The Group is dependent on a small number of customers for its sales and the loss of any major customer either to a competitor or through its own business circumstances might impact significantly on the Group's financial condition.	• Where possible we concentrate on customers that are financially strong with a clear strategic vision for the PV industry and accordingly have the potential to be long-term major players in the industry. • We work in partnership with our customers to ensure that the quality, specifications and efficiency of our wafers are suitable for their current and future needs. • We are continuing to develop new customers and broaden our customer base.
PV market development is reliant on Government incentives, support and legislation (No change in risk level)	The solar industry is dependent on the support of individual governments to encourage the installation and use of solar electricity within their territories. Without such support the increased uptake of solar electricity may reduce or be slow to develop.	• We focus on supplying those major PV companies which are better equipped, therefore, to sell product into global markets. • We ensure that the Group operates internationally thus spreading risk among several markets. • We focus on cost reduction and efficiency enhancement strategies to reduce the need for Government support in the long term.
Loss of a key production facility could disrupt our ability to deliver contracted wafer volumes and to retain core production capabilities (No change in risk level)	The Group has operations at different stages in the value chain. The loss of a facility at any stage would impact the Group's ability to fulfil contracted wafer or to retain core production capabilities.	• We are currently producing at levels considerably below capacity due to our cash conservation activities. • Ingot manufacturing is carried out in the United Kingdom where the Group has four separate sites available for production. • Wafering is carried out at our internal facility in Germany and at a sub-contractor in Japan. • We have health and safety, fire prevention and security procedures in place at all facilities. • We have comprehensive property damage and business interruption insurance in place.
Imposition of trade barriers and restrictions may have a significant impact on the PV industry (No change in risk level)	Trade disputes can lead to imposition of duties on imports of some PV products. Recent years have seen claims of dumping of Chinese products into both the Europe and the United States and also claims by China regarding imports of polysilicon. The renewal of the trade dispute between the United States and China may cause disruption in the market.	• We work with PV companies who have a diverse geographic customer base and thus less dependent on demand from a particular region. • We will cooperate, as we have done previously, with the authorities in the event of any future investigations.

A summary report is included here, a fuller report can be found on the Company's website at www.pvcrystalox.com.

The environment

Our product

The Group is a leading producer of multicrystalline silicon wafers for the production of solar cells. These cells are processed into solar systems used for the generation of renewable electricity with a lifetime in excess of 25 years, providing electricity for a known starting cost and with minimal maintenance. Depending on the system's location, it has been estimated that the total energy used in the production of a silicon solar system will be recovered within a period of two to three years.

Our processes

It is the Group's policy to:

- seek to eliminate and, where this is not practicable, to minimise negative environmental impacts from the pursuit of all business interests while continuing to produce high quality products which meet customer requirements;
- comply with all statutory environmental legislation as a minimum and aim to improve upon the standards set by the local regulatory authorities; and
- foster an informed and responsible approach to all environmental concerns and encourage the involvement of employees, customers and suppliers. Regulatory authorities are consulted and informed at all appropriate times.

Waste and recycling

The Group has effective environmental management and health and safety systems in place, in support of, and to complement, its quality assurance systems. Across all its sites in the United Kingdom and Germany a proactive approach is taken to the pre-treatment of waste as required by the EU Landfill Directive. The purpose of this treatment requirement is to reduce the impact of waste sent to landfill and to increase the amount of waste that is recycled.

Environmental management systems

We recognise the need to establish, formalise and apply an environmental management system at each of our manufacturing sites. Therefore, in order to enhance further its already effective environmental and health and safety management systems:

- Crystalox in the United Kingdom continues on its programme to achieve environment and health and safety accreditations; and
- the site in Erfurt, Germany, has been carrying out an environmental audit in each of the last ten years, focusing on the consumption of water, electricity and on the emission of waste materials.

These high standards complement and consolidate Crystalox and the Erfurt operation's EN ISO 9001 status, further fulfilling our responsibility to the environment and health and safety.

Our staff

The Group's policy is to provide equal opportunities to all existing and prospective employees. The Group recognises that its operation and reputation depends upon the skills and effectiveness of its employees and is committed to the fair and equitable treatment of all and to prohibit discrimination on the grounds of age, gender, religion, sexual orientation, race, nationality or ethnic origin.

It is the Group's policy to give sympathetic consideration to the recruitment, continuing employment, training, career development and promotion of disabled persons. In the event that a person became disabled he or she would continue to be employed, wherever possible, in the same job. If the degree of disablement made this impractical, every effort would be made to find suitable alternative employment and to give any appropriate training. The Group's policy on training and career progression applies equally to everyone within the Group whether or not disabled.

Gender diversity

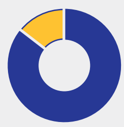
The following table sets out a breakdown by gender showing at 31 December 2014 (i) the number of persons who were directors of the Company; (ii) the number of persons who were senior managers of the Group (other than persons falling within sub-paragraph (i)); and (iii) the number of persons who were employees of the Group.

Directors

- Men (3)
- Women (0)

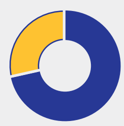
Senior managers

- Men (6)
- Women (1)



Other employees

- Men (93)
- Women (37)



Training

The Group recognises that a key factor in its successful operations is its personnel. At all sites management's top priority has been to provide a safe and secure work environment for all. To this end, health and safety training has been of paramount importance.

Initial in-house health and safety induction training for all personnel joining is supported by external specialist trainers for occupation specific training. During 2014 fire safety awareness training was undertaken by selected staff at each site as well as first aid training and manual handling training.

PV Crystalox Solar greenhouse gas emissions

This is our second greenhouse gas ("GHG") emissions report in line with UK mandatory reporting requirements as set out under the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013.

The Group's emissions have been calculated based on the UK Government's Environmental Reporting Guidance. Emissions reported correspond with our financial year. We are reporting the direct emissions from combustion of fuel in PV Crystalox Solar facilities (scope 1) and indirect emissions resulting from electricity purchased by PV Crystalox Solar (scope 2). These emissions cover the operation of ingot production, block production and head office activities in the UK, the wafer production activities in Germany and running our sales and logistics office in Japan.

Emissions are predominantly from gas and oil combustion and electricity use at our manufacturing facilities. We have used conversion factors provided in the "UK Government conversion factors for company reporting" for UK and Japan emissions and have taken into account the local electricity mix for the conversion factor for our German operations.

We have used tonnes of CO_2 per MW of wafer shipments as an intensity measurement. It should be noted that in 2013 approximately 50% of shipments were from wafer inventory, whereas in 2014 shipments and production of wafers were broadly the same. It should be noted that using the revenue figure from the financial statements would include sales of surplus polysilicon in addition to wafer shipments. The management team will continue to monitor and review the appropriateness of the intensity ratio.

	2014 (tonnes CO_2 equivalent)	2013 (tonnes CO_2 equivalent)
Scope 1		
Direct emissions from combustion of fuel in PV Crystalox Solar facilities	**207**	201
Scope 2		
Indirect emissions resulting from electricity purchased by PV Crystalox Solar	**14,259**	5,679
Scope 1 and Scope 2	**14,466**	5,880
Intensity measurement tonnes CO_2/MW of wafer shipments	**68.2**	27.9

A voluntary health management programme was run for all staff in Erfurt in 2014.

The Group is committed to the ongoing training and development of its personnel. Particular skills-based training is provided to individuals when identified and seen as beneficial to the overall operation of the Group. The introduction of new technologies and new and efficient working methods has resulted in personnel being trained to both develop and hone their knowledge and skills. A flexible work environment has meant that personnel are given the chance to work in different departments, thereby helping them maximise their potential and sense of fulfilment.

In Germany, the Group has been running an apprenticeship programme for a number of years and in the UK we enrolled our first apprentice during 2014. Currently, there are eight young people in Erfurt enrolled in technical and administrative jobs. The intention of the programme was that after a three year period these apprentices would have the chance to become permanent members of staff. For some of the apprentices the programme enables them to continue with their studies to obtain a degree in engineering.

Health and safety

The Group recognises its responsibilities under health and safety legislation in each country of operation to ensure, so far as it is reasonably practicable, the health, safety and welfare of all its employees. Group policy is to take all reasonable precautions to prevent accidents and dangerous occurrences and for the creation of working conditions which safeguard employees. The Group attaches the greatest importance to health and safety, considering this to be a management responsibility. To this end the Group will allocate the necessary resources and enlist the active support of all employees upon whom duties are also imposed by health and safety legislation. The Group regards the standards set by the various relevant statutory provisions as the minimum standards which must be achieved and endeavours to improve upon these where reasonably practicable.

In the United Kingdom health and safety management was supported by the appointment of health and safety representatives from key departments as well as the health and safety steering committee which met at monthly intervals throughout the year to monitor performance and promote a safe working environment within the business. In Erfurt five safety representatives are appointed onto the health and safety steering committee which met for four quarterly meetings in 2014.

The total number of reported work related accidents in the United Kingdom fell from 0.0007 in 2013 to 0.0006 accidents per day worked in 2014. There were no work related accidents in Erfurt or in the United Kingdom in 2013 or 2014 where employees were absent for three days or more.

Human rights

With regard to human rights, commentary has not been included as it is not considered necessary for an understanding of the development, performance or position of the Group's business.

Directors approval statement

This Strategic Report as set out on pages 01 to 13 has been reviewed and approved by the Board of Directors.

Iain Dorrity
Chief Executive Officer
18 March 2015

This Corporate Governance Statement describes our approach to governance and highlights a number of the actions we have taken during the year.

Dear Shareholder

The Board is mindful of its responsibilities to the Company's shareholders and key stakeholders to ensure the Company has the right people, systems and processes in place to manage risk and deliver the Group's agreed strategy. As Chairman, I am responsible for ensuring that the Board operates effectively with well-informed directors asking the right questions and setting the right tone from the top.

This Corporate Governance Statement describes our approach to governance and highlights a number of the actions we have taken during the year.

Board balance and independence

Throughout the year the Board had two non-executive directors, a Chairman who was independent on appointment and an independent non-executive director, Michael Parker, who is deemed to be independent in accordance with the UK Corporate Governance Code (September 2012) (the "Code").

At the start of 2014 there were two executive directors but in March 2014 Peter Finnegan, the Chief Financial Officer ("CFO"), informed the Board that he would retire from the Group on 31 May 2014. Matthew Wethey, the Group Secretary, was asked to take over as CFO but did not join the Board. Thus the number of executive directors was reduced to one.

Following the 2014 Annual General Meeting the Board comprised the Chairman, one independent non-executive director and one executive director. This composition is compliant with the Code and the Board believes, given the current circumstances, that this composition is the most appropriate for the time being. Further details are set out on page 15.

Compliance

As a standard listed company on the Official List the Company is fully Compliant with applicable governance requirements. The Company has previously reported as a smaller company against the Code on a "comply or explain" basis. The Company is compliant against the Code except for those provisions relating to board and committee composition. These exceptions are detailed on page 15.

Performance evaluation

Due to the reduced scale of operation and the cash conservation strategy, the Board agreed to carry out an internal review. I led this review supported by the Group Secretary. The review found that the Board is operating effectively.

The performance of the individual directors was evaluated and my performance was evaluated by the Senior Independent Director and the Chief Executive Officer.

The performance of the Board, its committees, the individual directors and the Chairman were all found to be effective. Further details are set out on page 16.

John Sleeman
Chairman
18 March 2015

Compliance

Since October 2013 the Company has been a standard listed company on the Official List. As a standard listed company the governance levels are lower than those that apply to premium listed companies. The Company is fully compliant with the governance requirements of a standard listing.

A premium listed company is required to comply with the super equivalent provisions which are contained in the Code. Throughout the year ended 31 December 2014, the Group complied with all the provisions set out in the Code except that those provisions relating to board and committee composition, namely Sections B.1.2, B.2.1, C.3.1 and D.2.1. The Board believes that the current structure with a non-executive Chairman who was independent on appointment, one independent non-executive director and one executive director is appropriate at present. As a result the Company was not compliant with:

- Section B.1.2 which states that except for smaller companies, at least half of the board, excluding the chairman, should comprise non-executive directors determined by the board to be independent. A smaller company should have at least two independent non-executive directors.
- Section B.2.1 states that a majority of members of the nomination committee should be independent non-executive directors.
- Section C.3.1 states that the board should establish an audit committee of at least three, or in the case of smaller companies two, independent non-executive directors. In smaller companies the company chairman may be a member of, but not chair, the committee in addition to the independent non-executive directors, provided he or she was considered independent on appointment as chairman. The board should satisfy itself that at least one member of the audit committee has recent and relevant financial experience.
- Section D.2.1 states that the board should establish a remuneration committee of at least three, or in the case of smaller companies two, independent non-executive directors. In addition the company chairman may also be a member of, but not chair, the committee if he or she was considered independent on appointment as chairman.

Board of directors

The Board is primarily responsible for the success of the Group by providing leadership within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Group's strategic aims, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and reviews management performance. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and others are understood and met.

Matters reserved for the Board

The Board has a formal schedule of matters reserved to it for its decision. This schedule is reviewed annually and includes approval of:

- Group objectives, strategy and policies;
- business planning;
- substantial transactions, contracts and commitments;
- review of performance;
- risk assessment;
- dividends;
- appointments to the Board and as Group Secretary; and
- senior management appointments and succession plans.

Other specific responsibilities are delegated to Board committees, which operate within clearly defined terms of reference. Details of the responsibilities delegated to Board committees are given on pages 18 to 29.

Board balance and independence

During the year the Board consisted of two non-executive directors, a Chairman who was independent on appointment and an independent non-executive director, Michael Parker, who is deemed to be independent in accordance with the Code, and the Chief Executive Officer. At the start of 2014 there were two executive directors. Following the 2014 AGM in May 2014 at which Peter Finnegan retired the number of executive directors reduced to one.

The Chairman is presumed under the Code not to be independent. The Board considers Michael Parker to be independent and he is the recognised Senior Independent Director who is available to shareholders if they have any relevant issues or concerns. Brief biographical details of all members of the Board are set out on page 17.

The non-executive directors bring a wide range of commercial and financial experience and knowledge and are independent of management and any business or other relationship that could interfere with the exercise of their judgement. This provides a balance whereby an individual or small group cannot dominate the Board's decision-making.

The non-executive directors entered into arrangements for initial three year periods and their appointments continue subject to re-election at each AGM or six months' notice in writing from either party. The terms and conditions of appointment of the non-executive directors can be inspected at the Company's registered office and will be available for inspection at the Annual General Meeting. John Sleeman was appointed on 11 June 2007 and Michael Parker was appointed on 1 January 2010.

The Board has established a separate Nomination Committee and details of its responsibilities and activities are on page 18.

Board meetings

The Board meets at least six times per annum and at other times according to business requirements. During 2014 there were six meetings, including a meeting in June 2014 where the Board met offsite to consider the Group's strategy and to review key business issues. Meetings are held in central London and at the Group's operating subsidiaries: at Abingdon in the United Kingdom and at Erfurt in Germany. When the Board meets at the Group's operating subsidiaries the Board will have a detailed presentation from the subsidiary directors at that location and an opportunity to review the operation and to meet local management. During 2014 the number of Board and committee meetings with individual attendances was as follows:

	Board	Audit	Remuneration	Nomination
Iain Dorrity	6/6	2/2	3/3	3/3
Peter Finnegan**	3/3	1/1	2/2	2/2
Michael Parker*	6/6	2/2	3/3	3/3
John Sleeman*	6/6	2/2	3/3	3/3

* Non-executive directors.

** Peter Finnegan attended all the meetings that took place whilst he was in office.

Board support

All directors have access to advice and services from the Group Secretary. The appointment and removal of the Group Secretary is a matter for the Board as a whole. The Group Secretary is responsible for advising the Board on all governance matters, ensuring Board procedures are followed and applicable rules and regulations are complied with. The directors are free to seek any further information they consider necessary and directors can obtain independent professional advice at the Group's expense.

Information, induction and professional development

The Chairman, assisted by the Group Secretary, is responsible for ensuring that the Board receives appropriate and timely information on all relevant matters.

On appointment to the Board, new directors receive background reading about the Group and details of Board procedures and other governance related matters. In addition, the directors participate in a comprehensive induction programme, including site visits to the Group's operations and meetings with the executive directors and senior management across the Group.

The Chairman regularly reviews and agrees with each director their training and development needs as part of the succession planning process. Directors receive ongoing training and updates on relevant issues as appropriate, taking into account their individual qualifications and experience. The Group Secretary helps directors undertake any other professional development they consider necessary to assist them in carrying out their duties.

Chairman and Chief Executive

The roles of Chairman and Chief Executive Officer are separated and their responsibilities are clearly established. The Chairman is responsible for the leadership and workings of the Board and ensuring its effectiveness and the Chief Executive Officer is responsible for the implementation of strategy and policies and the day-to-day decision-making and administration.

Other significant commitments of the Chairman, John Sleeman, are set out in the Directors section on page 17. The Board is satisfied that these commitments do not restrict him from effectively carrying out his duties as Chairman.

Performance evaluation

The directors believe that an effective Board is vital to the success of the Group and, as a result, undertake a thorough evaluation each year in order to assess how well the Board, its committees, the directors and the Chairman are performing. The aim is to improve the effectiveness of the Board, its committees and ultimately the Group's performance. The process is led by the Chairman and is supported by the Group Secretary. The Board believes that a combination of external reviews every third or fourth year with internal reviews in the other intervening years is the most appropriate method for evaluating effectiveness. The Board decided that, in view of the cash conservation measures being taken throughout the organisation that the next external review would be postponed until the Group enters a more normal trading environment. As a result an internal evaluation was undertaken this year.

The performance of the Chief Executive Officer was evaluated by the Chairman and the Senior Independent Director. The performance of the Senior Independent Director was evaluated by the Chairman and the Chief Executive Officer. Following the review process, the Chairman concluded that both directors continue to make an effective contribution to the work of the Board, are well prepared and informed concerning items to be considered by the Board, have a good understanding of the Group's businesses and their commitment to the role remains strong.

The Senior Independent Director together with the Chief Executive Officer evaluated the performance of the Chairman and concluded that the Chairman operated effectively in his role.

As was highlighted above, the Board carried out an internal evaluation of its effectiveness by a process which involved a structured discussion at a Board meeting in January 2015. The process was led by the Chairman with the assistance of the Group Secretary. The discussion focused on the Board's roles and responsibilities; the Board's culture and dynamics; the Board's processes; and the role of the Chairman. The review concluded that the Board was operating in an effective manner.

The Audit, Nomination and Remuneration Committees carried out internal evaluations of their effectiveness at meetings in January 2015 and March 2015. The process for each review was similar to that used for the Board's effectiveness review. The reviews concluded that each committee was operating in an effective manner.

Relations with shareholders

The Board values the views of its shareholders and recognises their interest in the Group's strategy and performance, Board membership and quality of management.

The AGM is used to communicate with investors and documents are sent to shareholders at least 20 working days before the meeting. The Chief Executive Officer makes a presentation there on the Group's progress. The Chairman, Chief Executive Officer, and the chairmen of the Audit Committee and Remuneration Committee are available to answer relevant questions. Separate resolutions are proposed on each substantial issue so that they can be given proper consideration and there is a resolution to receive and consider the Annual Report and financial statements. The Group counts all proxy votes and will indicate the level of proxies lodged on each resolution, after it has been dealt with by a show of hands.

The totals of proxy votes on each resolution, including details of any votes withheld, are announced at the meeting after each resolution has been dealt with on a show of hands and the full proxy voting results are announced through a regulatory news service and on the Company's website. In the event of a close result as indicated by the proxies held by the chairman of the meeting, the chairman would call a poll but this has not proved necessary at any of the AGMs to date. The Board believes that the immediacy of voting on a show of hands with the proxy votes immediately being announced, rather than a laborious process of conducting a formal poll on every resolution, is appreciated by the shareholders who attend the meeting.

During the year the executives maintained a regular programme of visits and presentations to major institutional shareholders both in the United Kingdom and overseas. All directors receive copies of articles concerning the Group and are updated by the Group's financial advisers on investors' perceptions of PV Crystalox Solar.

There were formal presentations following the preliminary and interim results and in addition the Group released Interim Management Statements in May and November 2014. From 7 November 2014, the requirement in the Disclosure Rules and Transparency Rules to publish interim management statements has been removed. As a result the Group will cease publishing such statements.

Key announcements, financial reports, the presentations referred to above and other information about the Group can be found on the Group's website at www.pvcrystalox.com.

Accountability

The Board aims to present a balanced and understandable assessment of the Group's position and prospects in all reports and other price sensitive disclosures, reports to regulators and information required to be presented by statute. The responsibilities of the directors as regards the financial statements are described on page 32 and that of the auditors on pages 33 to 36. A statement on going concern appears on page 05.

Remuneration Committee

The Directors' remuneration report and details of the activities of the Remuneration Committee are on pages 19 to 27. It sets out a summary of the Group's policy and the full details of all elements of the remuneration package of each individual director.

The Board of directors comprised three extremely experienced individuals.

John Sleeman
Chairman

John Sleeman graduated in Physics from the University of Durham and started his career at Deloitte & Touche in 1970 where he qualified as a Chartered Accountant before moving in 1975 to Samuel Montagu where he qualified as a Chartered Banker and held various corporate and project finance advisory roles, becoming a director in 1989.

Following its acquisition by HSBC, he held directorships with a number of companies within the HSBC Group, and from 2000 to 2003 was managing director, head of international team, corporate finance.

After that, John was an independent director of OSJC Power Machines (from 2003 to 2008), the Russian power generation equipment manufacturer 25% owned by Siemens AG, and an independent director of JSC Open Investments (from 2005 to 2009), the Russian real estate group.

He was appointed as non-executive director and Senior Independent Director at PV Crystalox Solar in May 2007 and became the Chairman in May 2012. He is chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

In 2006 John was a founding partner of, and since 2014 has been senior adviser to, S.P. Angel Corporate Finance LLP. In 2013 he was appointed as non-executive director of Unitech Corporate Parks Plc.

Iain Dorrity
Chief Executive Officer

Iain Dorrity has a PhD in Physical Chemistry from Exeter University. He joined the Company in 1986 and became responsible for sales and marketing in 1988.

He was a member of the MBO team that acquired the Crystalox business in 1994 and was appointed to the boards of both Crystalox Limited and Crystalox Solar Limited at that time. Subsequently, following the merger of PV Silicon GmbH and Crystalox Limited, he became a member of the Board of PV Crystalox Solar GmbH in 2002 and a member of the Board and Chief Executive Officer of the Company on its formation in December 2006.

Iain has over 30 years' experience in crystal growth and semiconductor materials with an emphasis latterly on multicrystalline silicon technology. Prior to joining Crystalox, he spent eight years working in research and in industry with General Electric Company.

Michael Parker
Non-executive director

Mike Parker received a Bachelor's degree in Chemical Engineering from the University of Manchester and an MBA from Manchester Business School. He began his career with Dow in 1968. During his 34 years there he was based in the US, UK, Switzerland and Hong Kong. He became president and chief executive officer of The Dow Chemical Company in Midland, Michigan, USA in 2000 and a member of the company's board of directors from 1995 to 2003.

He was subsequently appointed group chief executive of British Nuclear Fuels (a manufacturer and transporter of nuclear products) from 2003 until 2009.

He joined PV Crystalox Solar Board as non-executive director in 2010 and he became Senior Independent Director in May 2012. He is chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee.

His directorships with quoted companies include SNC-Lavalin, in Canada, which he joined in 2010 as non-executive director and Laird PLC where he was appointed as senior independent director in March 2015.

Mike is involved with a variety of charities and not-for-profit organisations including the Royal Liverpool University Hospital as chair of the BioCampus Board; Street League, a national charity that utilises football to engage with inactive 16–25 year olds, as chairman; and Alder Hey on the Children's Charity Capital Appeal board. He is a Trustee and vice chairman of the Royal Society for Prevention of Accidents (RoSPA), a trustee and honorary secretary of the Energy Institute and a member of the Manchester Business School advisory board.

Mike was awarded a CBE in the New Year Honours 2009 for services to the energy industry.

Message from the chairman of the Nomination Committee

Dear Shareholder

During the year the Nomination Committee focused its activities on those governance areas which require annual consideration.

At the start of 2014 we were mindful that the Group was not compliant with certain provisions of the Code relating to board and committee composition. We had considered the reduced size and complexity of the Group and believed that the structure at that time was appropriate.

Peter Finnegan retired from the Group and his position as an executive director at the end of May 2014. Following a recommendation from the Nomination Committee, the Board appointed Matthew Wethey as the new Chief Financial Officer in addition to his role as Group Secretary.

The Nomination Committee recommended that whilst Matthew Wethey be appointed as Chief Financial Officer he would not be appointed as an executive director on the Board.

Thus since the AGM in May 2014 the Board's composition is the Chairman, one independent non-executive director and one executive director. The Board believes that this composition is the most appropriate in the current circumstances.

We have a schedule of matters for annual consideration and specific responsibilities should there be a need to recruit a director or chairman, or to make recommendations for appointments to the Board's committees or for the role of senior independent director. Full details of the Nomination Committee's roles and responsibilities are contained in the terms of reference which are available to members of the public upon request and are available on the Group's website at www.pvcrystalox.com.

Further details are described more fully below.

John Sleeman
Chairman of the Nomination Committee
18 March 2015

Membership

The Nomination Committee comprises both of the non-executive directors and is chaired by John Sleeman. The Chief Executive Officer and external advisors may be invited to attend meetings as and when appropriate. The Group Secretary, who is also the Chief Financial Officer, acts as the Secretary of the Nomination Committee.

Meetings

The Nomination Committee meets at least twice a year and reports to the Board on its proceedings. The Nomination Committee met three times during the year. Details of attendance are shown in the Corporate Governance Statement on page 15.

Effectiveness

As detailed on page 16, an internal evaluation was conducted during the year which confirmed that the Nomination Committee was operating effectively.

Role

The Nomination Committee has a number of responsibilities as set out in its terms of reference. In summary the key roles are to:

- review the Board structure, size and composition (including the skills, knowledge, experience and diversity) compared with its current position and make recommendations to the Board with regard to any changes;
- consider succession planning for directors and other senior executives; and
- make recommendations to the Board regarding the appointment, re-appointment and retirement of directors.

Activities of the Nomination Committee

Set out below are the key matters considered by the Nomination Committee during the year and subsequently.

Structure, size and composition of the Board

The Nomination Committee regularly reviews the structure, size and composition of the Board compared to its current position. The Nomination Committee carried out a review in January 2014 and recommended that the structure, size and composition of the Board remained appropriate despite the Group not being compliant with certain provisions of the Code relating to board and committee composition.

In March 2014 the Nomination Committee was notified of the retirement of Peter Finnegan effective 31 May 2014. The Nomination Committee recommended to the Board that it appoint Matthew Wethey to succeed Peter as the new CFO in addition to his role as Group Secretary.

Matthew is a chartered accountant with 20 years' business experience who holds the position of Group Secretary. In this role his responsibilities have extended to liaising extensively with Peter Finnegan on all investor and shareholder relations matters, and on the statutory reporting of the Group. He has been instrumental in developing the corporate governance, human resources and administrative procedures of the Group since joining in January 2009.

The Nomination Committee recommended that whilst Matthew Wethey be appointed as Chief Financial Officer he would not be appointed as an executive director on the Board. As a result the Board's composition is the Chairman, one independent non-executive director and one executive director. This composition is compliant with the Code and is the most appropriate in the current circumstances.

The Nomination Committee carried out a further review in December 2014 and recommended that the structure, size and composition of the Board was fit for purpose and compliant with provisions of the Code relating to board and committee composition.

Succession planning

Succession planning is a key area of discussion and the Nomination Committee reviewed the capability of the senior management and directors and considered the succession plans for the executives.

Re-election of the directors

The Nomination Committee considered the effectiveness and commitment of each director standing for re-election at the 2015 AGM and, having concluded that their performance continues to be effective, recommends the re-election of each director to shareholders.

Diversity

The Nomination Committee noted the revised guidance provisions relating to the Board's policy on gender diversity but observed that there had not been any external recruitment at senior management or Board level for several years and that there were no current plans for recruitment at a senior level during 2015. It noted that one female manager in Japan had been promoted to senior manager in January 2014. It noted that the Group had a non-discriminatory recruitment policy; however, with the current recruitment plans, the Committee did not believe that it was appropriate to set measurable objectives on actively seeking gender diversity at this time.

Terms of reference

The Committee carried out a review of the Terms of Reference to ensure they are consistent with the recommendations contained in the ICSA Guidance on Terms of Reference Nomination Committee. As there have not been any changes to the guidance since June 2013 the Nomination Committee has not recommended amending the Terms of Reference. These are available to members of the public upon request and are available on the Group's website at www.pvcrystalox.com.

Annual statement by the chairman of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 31 December 2014, which details a summary of the remuneration policy for the directors of PV Crystalox Solar and provides details of their remuneration in respect of the year ended 31 December 2014.

The Remuneration Policy was put to shareholders for approval in a binding vote at the 2014 AGM on 22 May 2014. It was approved at the AGM and it was effective from the day following the AGM and may operate for up to three years. No changes are proposed this year. A summary table showing the main aspects of the Remuneration Policy is set out on pages 20 to 22 and the full Remuneration Policy can be found on our website at www.pvcrystalox.com.

The Annual Report on Remuneration (set out on pages 22 to 27), which describes how the policy has been implemented in the year under review and how it will be implemented for the year ahead, will be subject to an advisory vote at the AGM.

2014 key items considered

Loss of office payments to the former Chief Financial Officer – Peter Finnegan

Peter Finnegan retired as Chief Financial Officer and executive director of PV Crystalox Solar PLC on 31 May 2014 and the Remuneration Committee agreed that he would be paid his basic salary only in lieu of his twelve month notice period. This payment in lieu of notice is a contractual entitlement pursuant to the terms of Peter Finnegan's service agreement with PV Crystalox Solar PLC and is paid in accordance with the Remuneration Policy which permits a termination payment equal to twelve months' salary.

Deferred Share Plan awards

The 2011 awards made under the Executive Directors' Deferred Share Plan vested in April 2014.

Performance Share Plan awards

The Group failed to achieve the minimum performance conditions in respect of the Performance Share Plan awards made in 2011 for the performance period 1 January 2011 to 31 December 2013. As a result the award lapsed.

2015 remuneration

The Remuneration Committee is mindful of the provisions and recommendations of the Code and associated guidance that a significant proportion of remuneration for executive directors should be structured so as to link rewards to corporate and individual performance and that it should be designed to promote the long-term success of the Company.

The following proposal for the Chief Executive Officer's remuneration was proposed by the Remuneration Committee and agreed by the Board:

- the base salary of the Chief Executive Officer to remain at the 2014 level;
- participation in an annual bonus plan for 2015 with performance conditions based on share price increases during the 2015 financial year; and
- there will not be a long-term incentive award for the performance period from 1 January 2015 to 31 December 2017.

The Remuneration Committee approved management's proposals to increase salaries, from 1 January 2015, for all of the Group's employees to reflect the relative increases in the cost of living in the UK, Germany and Japan.

The Remuneration Committee approved an annual bonus scheme for certain Group employees, linking the value of their award to the Company's share price.

Due to the composition of the Remuneration Committee the Board are responsible for determining the fees of the non-executive directors. The Board agreed to leave the fees at the same level as in 2013 and 2014.

Governance

As detailed on page 16, an internal evaluation was conducted during the year which confirmed that the Remuneration Committee was operating effectively.

The Committee carried out a review of the Terms of Reference of the Remuneration Committee to ensure they are consistent with the recommendations contained in the ICSA Guidance on Terms of Reference Nomination Committee. As there have not been any changes to the guidance since June 2013 the Remuneration Committee has not recommended amending the Terms of Reference. These are available to members of the public upon request and are available on the Group's website at www.pvcrystalox.com.

The Remuneration Committee met three times during the year. Details of attendance are shown in the Corporate Governance Statement on page 15.

The Remuneration Committee looks forward to your support of the remuneration policy at the 2015 AGM.

Mike Parker

Michael Parker
Chairman of the Remuneration Committee
18 March 2015

The Remuneration Policy was approved at the 2014 AGM on 22 May 2014 and may operate for up to three years. No changes are proposed this year. Included in this summary Remuneration Policy section is a table showing the summary remuneration policy and an illustration of application of remuneration policy for the Chief Executive Officer. The full Remuneration Policy can be found on our website at www.pvcrystalox.com. In addition to the sections below the full Remuneration Policy includes the following additional sections: policy overview; consideration of employment conditions elsewhere in the Group; consideration of shareholder views; service contracts for executive directors; approach to recruitment and promotions; and approach to leavers.

Executive directors

Element of remuneration	Purpose and link to strategy	Operation
Base salary	To provide competitive fixed remuneration. To attract, retain and motivate executive management of the quality required to run the Company successfully in order to deliver the business strategy. Intended to reflect that paid to executive management of comparable companies. To reflect the market value of the individual, his or her skills, experience and performance.	In deciding appropriate remuneration levels, the Remuneration Committee considers the Group as a whole and relies on objective research which gives up-to-date information on a comparator group of listed companies of similar size and complexity. Base salaries are reviewed by the Remuneration Committee annually prior to the start of the salary year and on the occasion when an individual changes position or responsibility.
Benefits-in-kind	To provide competitive benefits-in-kind to ensure overall package is competitive. To attract, retain and motivate executive management of the quality required to run the Company successfully in order to deliver the business strategy.	Provision or a range of benefits including some or all of: • a company car or car allowance; • private medical insurance; • income protection insurance; and • life assurance. Other benefits may be payable where appropriate.
Annual bonus scheme	Rewards annual achievement of performance targets in order to deliver the business strategy. Compulsory deferral into the Company's shares provides a link to the creation of long-term shareholder value and also retention element.	Measures and targets are set annually and pay-out levels are determined by the Remuneration Committee after the year end based on performance in the financial year against those targets. Half of each bonus will be payable in cash on the date of payment. The other half of each bonus will be deferred and payable in shares under the Executive Directors' Deferred Share Plan which will vest three years after the award date. Shall not be payable unless the executive director is employed on the date of payment. The annual bonus is not pensionable and there are no claw back or withholding arrangements.
Long-term incentive – Performance Share Plan ("PSP")	Rewards sustained performance against challenging long-term targets which are critical to the realisation of the business strategy. Designed to attract, retain and incentivise executive management over the longer term. To provide an appropriate motivational framework and to align more closely the interests of the executive management with the performance of the business and the interests of shareholders.	The current Performance Share Plan was approved at the 2011 AGM and is governed by the rules of the Plan. A summary of the key features is set out below: • Conditional share awards or options over a fixed number of shares are granted based on the relevant percentage of a director's base salary and the closing share price on the date of the award. • Vesting of awards will be subject to a three year performance period. • The awards will lapse if the participant leaves employment before vesting unless in specific "good leaver" circumstances. • Award levels and performance conditions will be determined each year by the Remuneration Committee.
Pension	To provide retirement benefits to ensure overall package is competitive. To attract, retain and motivate executive management of the quality required to run the Company successfully in order to deliver the business strategy.	Defined contribution arrangements into the Crystalox Group Personal Pension Scheme or such other pension plan suitable to the executive and his country of residence. Current contribution levels 8% employer contributions into a defined contribution scheme.

Non-executive directors

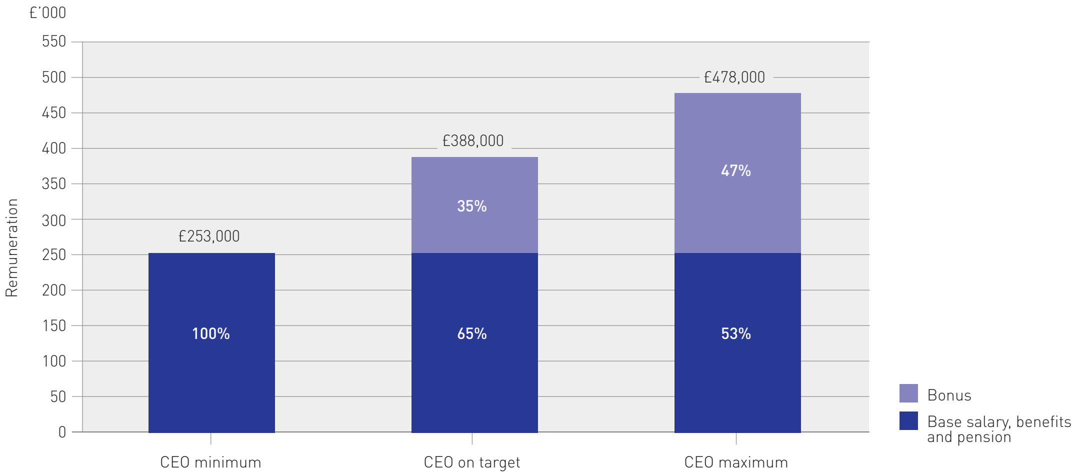
Element of remuneration	Purpose and link to strategy	Operation
Non-executive director fees	To reward individuals for fulfilling the relevant role. To reflect the time commitment and responsibilities of the roles of the individual non-executive directors. To attract, retain and motivate individuals with the necessary experience and ability to make a substantial contribution to the Group.	Cash fee paid. Fees are reviewed on an annual basis and are set by the Board. Expenses incurred by the non-executive director in the course of his employment are reimbursed in accordance with the Group's expenses guidelines. Fees are not subject to claw back or withholding arrangements.

Maximum	Performance targets
The Remuneration Committee is guided by the general increase for the broader employee population but on occasions may need to recognise, for example, a change in the scale, scope or responsibility of the role. Current salary levels are set out on page 23.	Individual and business performance is considered in determining base salary levels.
Benefits may include those currently provided as disclosed on page 24; however, the Remuneration Committee reserves the right to provide such level of benefits as it considers appropriate to support the ongoing business strategy.	Not performance related.
Maximum bonus only payable for achieving demanding targets. A maximum bonus of 100% of base salary.	Set annually by the Remuneration Committee based on various performance metrics (which will be determined by the Remuneration Committee) measured over the relevant financial year. Pay-out levels are based on: • a threshold performance level (the minimum level of performance that results in any payment), of 20% of maximum pay-out; • a mid performance level, of 60% of maximum pay-out; and • a maximum performance level, of 100% of maximum pay-out.
Maximum value of awards made to participants in any financial year will not exceed 200% of their remuneration at the relevant date of award. If there are exceptional circumstances, however, that the remuneration committee considers justifies making awards in excess of this limit, participants may receive awards with a value of up to 400% of their remuneration at the relevant date of award. The last awards were made in 2011 to the Chief Executive Officer of 125% and to other executive directors of 100% of base salary.	The performance targets are set annually by the remuneration committee based on achievement of growth in both total shareholder return and earnings per share over at least a three year performance period. The pay-out would be based on a matrix with pay-outs from 0% to 100% of maximum. The remuneration committee may set different performance conditions for future awards having regard to the Company's strategic priorities, shareholder expectations and market conditions prevailing at that time.
Pension provision may include those currently provided which are 8%; however, the Remuneration Committee reserves the right to provide such level of pension provision as it considers appropriate to support the ongoing business strategy.	Not performance related.

Maximum	Performance targets
The Board is guided by the general increase in the non-executive director market and for the broader employee population but on occasions may need to recognise, for example, an increase in the scale, scope or responsibility of the role. Current fee levels are set out on page 23.	Not applicable. Non-executive directors do not participate in variable pay arrangements.

Illustrations of application of remuneration policy

The chart below illustrates how the composition of the Chief Executive Officer's remuneration package for 2015 varies at different levels of performance under the policy, both as a percentage of total remuneration opportunity and as a total value. The figures are in Sterling as this is the currency in which the director is paid.



Notes

(1) The value of benefits receivable in 2015 is taken to be the value of benefits received in 2014 (as calculated under the Directors' Remuneration table, set out on page 24).

(2) The value of pension is as presented under the Directors' Remuneration table.

(3) The on-target level of bonus is taken to be 60% of the maximum bonus opportunity (100% of salary for executive directors).

(4) The Remuneration Committee has decided that there will not be an LTIP scheme in operation for 2015.

(5) No share price appreciation has been assumed for the deferred bonus shares and PSP awards.

ANNUAL REPORT ON REMUNERATION

The information contained in this report is not subject to audit except where specified.

This part of the report has been prepared in accordance with Part 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and Rule 9.8.6R of the Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at the AGM to be held on 21 May 2015.

The Remuneration Committee

The Remuneration Committee is chaired by Michael Parker and is to be made up of a minimum of two non-executive directors. The Remuneration Committee comprises the committee chairman and John Sleeman. The Chief Executive Officer, other directors, the head of human resources and external advisers may be invited to attend meetings as and when appropriate. The Group Secretary acts as the Secretary to the Remuneration Committee. The terms of reference of the Remuneration Committee are available to members of the public upon request and are available on the Group's website at www.pvcrystalox.com. The Remuneration Committee meets not less than twice a year and is required to report formally to the Board on its proceedings. Details of attendance at each meeting are shown in the Corporate Governance Report on page 15.

External advisers

The Remuneration Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference. During the year the Remuneration Committee did not seek advice from external advisers.

Implementation of the remuneration policy for the year ended 31 December 2015

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2015 is set out on the following pages.

Individual elements of remuneration

Annual base salaries and fees of the directors

Base salaries for the individual executive directors are reviewed annually by the Remuneration Committee and are set to reflect the market value of the individual, his or her skills, experience and performance and are intended to reflect that paid to executive management of comparable companies. During 2012 and 2013 the base salaries of the executive directors had remained fixed in line with employees throughout the Group. For 2014 the Remuneration Committee agreed to reduce Chief Executive Officer's base salary level by 25% and to reintroduce an annual performance bonus so that a significant proportion of remuneration links rewards to corporate performance. The employees throughout the Group were awarded pay increases to reflect a cost of living increase covering 2012, 2013 and 2014. As a result of Peter Finnegan's announcement to retire at the end of May 2014, the Remuneration Committee agreed to leave Peter Finnegan's base salary at its 2013 level without an annual performance bonus.

The fees for the non-executive directors are reviewed on an annual basis and are set by the Board to reflect the time commitment and responsibilities of the roles of the individual non-executive directors. The non-executive directors do not participate in any annual bonus or long-term incentive plans nor do they receive benefits-in-kind or pension contributions. There was no change in the level of fees for the non-executive directors for 2014.

Payable in Sterling	**2015 annual rate £**	2014 annual rate £	% change
Iain Dorrity	**225,000**	225,000	0%
Peter Finnegan*	**n/a**	250,000	n/a
John Sleeman	**70,000**	70,000	0%
Michael Parker	**40,000**	40,000	0%

* Peter Finnegan was paid at the rate of £250,000 until he left the Board at the end of May 2014.

Benefits-in-kind

Executive directors receive either a company expensed motor vehicle commensurate with their seniority or a monthly car allowance. All other benefits-in-kind are available to all employees dependent upon local conditions in their country of employment.

Annual bonus payment

The structure of the annual bonus scheme is as approved by shareholders at the 2009 AGM and as described in the remuneration policy. The maximum award under the annual bonus will remain unchanged at 100% of salary. Threshold performance gives a payout of 20% with 60% earned for on-target performance. Half of any bonus will be paid in cash and half will be awarded in deferred shares under the PV Crystalox Solar Executive Directors Deferred Share Plan which vest after a further three years.

In 2014

The Remuneration Committee reintroduced an annual bonus in 2014 and set the performance conditions which were based upon the increase in the Company's share price during 2014. Due to the difficult trading conditions the performance conditions were not achieved and no bonus was payable.

In 2015

The performance conditions have been set by the Remuneration Committee and are based upon the increase in the Company's share price during 2015.

Any awards of deferred shares under the Executive Directors' Deferred Share Plan will be satisfied on vesting by the transfer of shares from the existing PV Crystalox Solar PLC Employee Benefit Trust. The trust has already acquired and will, from time to time, continue to acquire shares that will be available for award to employees (including executive directors).

Long-term incentives

Awards vesting in respect of the financial period

Performance Share Plan

The first awards under the Performance Share Plan ("PSP") covering the performance period from 1 January 2011 ending on 31 December 2013 were made on 26 May 2011 following the approval of the scheme by shareholders at the AGM on that date.

Under the PSP participants receive awards over shares with a value equal to a percentage of base salary at the date of the award as follows.

Participant	**Award % of salary**
Chief Executive Officer	**125%**
Other executive directors	**100%**

The payout under the scheme is based on achievement of performance targets for achieving growth in both TSR and EPS in accordance with the following matrix.

TSR growth	**<10%**	**10%–20%**	**>20%–30%**	**>30%–40%**	**>40%**
EPS, Euro cents					
<10.1	**0%**	**10%**	**20%**	**30%**	**40%**
10.1–10.9	**10%**	**20%**	**30%**	**40%**	**50%**
>10.9–11.7	**20%**	**30%**	**40%**	**50%**	**60%**
>11.7–12.5	**30%**	**40%**	**50%**	**60%**	**70%**
>12.5–13.4	**40%**	**50%**	**60%**	**70%**	**80%**
>13.4	**50%**	**60%**	**70%**	**80%**	**100%**

Long-term incentives continued

Awards vesting in respect of the financial period continued

Performance Share Plan continued

The extent to which the PSP awards granted in May 2011 are to vest was determined by the Remuneration Committee.

	Actual	Range	% vesting
EPS, Euro cents	**1.0**	**<10.1**	
TSR growth	**(76.2)%**	**<10%**	
Overall vesting			**0%**

As a result the PSP awards lapsed in 2014.

No awards were made under the PSP in 2012, for performance in the period from 1 January 2012 to 31 December 2014, in 2013, for performance in the period from 1 January 2013 to 31 December 2015, or in 2014, for performance in the period from 1 January 2014 to 31 December 2016, and no award has been recommended for 2015.

Pension arrangements

The executive director's contract of service set out their base salaries from which contributions can be made into the Crystalox Group Personal Pension Scheme or such other pension plan suitable to the executive and his country of residence. Iain Dorrity is entitled to a Company contribution of 8% (2013: 8%) of base salary and Peter Finnegan was entitled to a Company contribution of 6% in 2014 until his retirement of base salary paid directly to a defined contribution scheme (the Crystalox Group Personal Pension Scheme). It should be noted that company contributions for UK employees other than the executive directors are 8% provided that the employees contribute at least 4%.

Single total figure of remuneration (audited)

The table below reports the total remuneration receivable in respect of qualifying services by each director during the year.

Year ended 31 December 2014	Fees/base salary €	Benefits-in-kind €	Annual bonus €	Long-term incentives €	Pension related benefits €	Total €
Iain Dorrity	**279,198**	**12,653**	**—**	**—**	**22,336**	**314,187**
Peter Finnegan (until May 2014)[1]	**129,258**	**5,548**	**—**	**—**	**7,756**	**142,562**
Michael Parker	**49,635**	**—**	**—**	**—**	**—**	**49,635**
John Sleeman	**86,862**	**—**	**—**	**—**	**—**	**86,862**
Total year ended 31 December 2014	**544,953**	**18,201**	**—**	**—**	**30,092**	**593,246**
Year ended 31 December 2013						
Hubert Aulich (until May 2013)[2]	130,073	2,934	—	—	18,848	151,855
Iain Dorrity	353,460	11,842	—	—	21,208	386,510
Peter Finnegan	294,599	11,721	—	—	17,673	323,993
Michael Parker	47,128	—	—	—	—	47,128
John Sleeman	82,474	—	—	—	—	82,474
Total year ended 31 December 2013	907,734	26,497	—	—	57,729	991,960

1 £250,000 is payable to Peter Finnegan in respect of loss of office.

2 No amounts were payable for loss of office in respect of Hubert Aulich.

The figures in the single figure table are derived from the following:

Fees/base salary	The amount of fees/salary received in the period.
Benefits-in-kind	The taxable value of benefits received in the period. These are car, car allowance, private medical insurance, income protection and life insurance.
Annual bonus	No annual bonus scheme was set in 2013 and the performance conditions were not achieved in 2014.
Long-term incentives	The value of the long-term incentive schemes that vest in respect of the financial year.
PSP: None have vested in 2013 or 2014	No executive director's contract contains additional provisions in respect of change of control.
Pension related benefits	This includes the Company's contributions to the defined contribution pension scheme and, in the case of Hubert Aulich, the change in transfer value of increase in accrued benefits less directors' contributions in relation to the defined benefits scheme.

Additional information on directors' interests (audited)

Details of the executive directors' interests in outstanding share awards under the Executive Directors' Deferred Share Plan ("EDDSP") and the PSP are set out below.

Deferred share awards as at 31 December 2014

The outstanding share grants relate to deferred shares issued under the EDDSP. Under the rules of this plan the number of shares is calculated by reference to 50% of a participant's gross bonus, for a particular financial year, divided by the average of the middle market quotations on the five consecutive dealing days immediately following the date on which the results are announced.

	Shares held at 1 January 2014	Shares awarded during 2014	Shares vested during 2014	**Number of award shares at 31 December 2014**	Normal vesting date	Share price at grant pence	Market price at vesting pence	Monetary value of vested award £
Iain Dorrity	134,409	—	(134,409)	**—**	24.03.14	55.80	23.00	30,914
Peter Finnegan	112,007	—	(112,007)	**—**	24.03.14	55.80	23.00	25,762

Deferred shares awarded due to 2013 performance

No bonus is payable in relation to 2013 performance as no bonus scheme was in operation. Accordingly no awards of deferred shares were made.

Deferred shares awarded due to 2014 performance

No bonus is payable in relation to 2014 performance as the performance conditions relating to share price were not achieved. Accordingly no awards of deferred shares are to be made.

Performance share plan

Awards made under the performance share plan which remain outstanding at 31 December 2014 are outlined below:

	PSP share options held at 1 January 2014	Award date	Market price per share at award date pence	Normal vesting date	**PSP shares lapsed during year**	**Maximum PSP share options held at 31 December 2014**	Maximum value based on share price of 13.0p at 31 December 2014 £
Iain Dorrity	773,196	26.05.11	48.50	21.03.14	**(773,196)**	**—**	n/a
Peter Finnegan	515,464	26.05.11	48.50	21.03.14	**(515,464)**	**—**	n/a

It should be noted that the performance conditions for these awards, as described on pages 23 and 24, were not achieved and these awards lapsed in 2014.

Directors' pension (audited)

	Contributions to defined contribution scheme €	**Total 2014 €**
Iain Dorrity	22,336	**22,336**
Peter Finnegan	7,756	**7,756**
Michael Parker	—	**—**
John Sleeman	—	**—**
	30,092	**30,092**

Loss of office payments to the former Chief Financial Officer – Peter Finnegan (audited)

Peter Finnegan retired as Chief Financial Officer and executive director of PV Crystalox Solar PLC on 31 May 2014 (the "Termination Date"). The payments which Peter Finnegan will receive under the terms of his exit are as detailed below:

Payment in lieu of notice	Peter Finnegan will be paid in lieu of his twelve month notice period. His payment in lieu of notice consists of basic salary only and is £250,000 (subject to deductions for income tax and National Insurance contributions). The payment in lieu of notice will be paid in two instalments: (i) £150,000 was paid following signing of a statutory agreement in February 2015; and (ii) £100,000 will be payable on the first anniversary of the Termination Date. This payment in lieu of notice is a contractual entitlement pursuant to the terms of Peter Finnegan's service agreement with PV Crystalox Solar PLC and is paid in accordance with the Remuneration Policy which permits a termination payment equal to twelve months' salary.
Bonus payments	No bonus, commission or performance related payment will be paid out under the terms of exit.
Shares	Any unvested awards at the date of departure will lapse under the terms of exit.
Employer pension contribution	Employer pension contributions into the Crystalox Limited pension scheme in respect of Peter Finnegan ceased with effect on the Termination Date.
Benefits	Private medical insurance for Peter Finnegan continued up until 31 October 2014. The insurance in respect of Peter Finnegan has now expired and will not be renewed. All other non-cash contractual benefits ceased on the Termination Date.

Additional information on directors' interests (audited) continued

Remuneration policy for non-executive directors (audited)

The non-executive directors have specific terms of engagement and their remuneration is determined by the Board based on independent surveys of fees paid to non-executive directors of similar companies. Non-executive directors are not eligible to join the Company's share schemes or pension schemes.

Directors' interests in shares of the Company (audited)

The interests in the ordinary share capital of the Company as at 31 December 2014 of those directors, and their connected persons, who were in office during the year are detailed below.

	Shares		Options	
	Shares owned outright	Unvested and subject to holding period (EDDSP)	Unvested and subject to performance conditions (PSP)	Total interests held
Iain Dorrity	17,099,371	—	—	17,099,371
Peter Finnegan	1,147,014	—	—	1,147,014
Michael Parker	—	—	—	—
John Sleeman	—	—	—	—

The closing mid-market price of a PV Crystalox Solar PLC share on 31 December 2014 was 13.0 pence and the price range during the year was 13.0 pence to 28.8 pence.

Between 1 January 2015 and 27 February 2015 (the latest date for which it was practical to obtain the information) there were no changes to the beneficial interest of the directors in the ordinary shares of the Company.

Statement of voting at last AGM

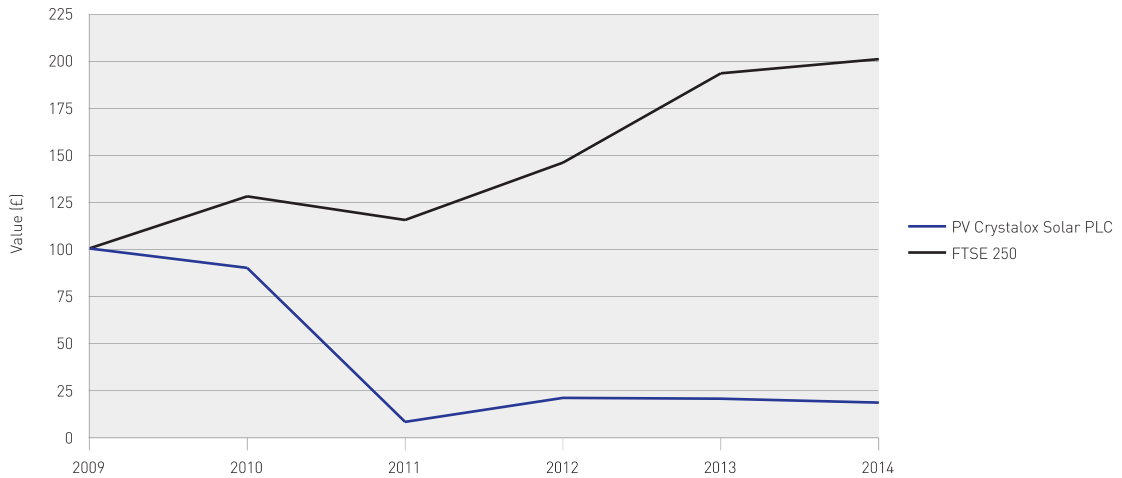
The Company remains committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. The following table sets out actual voting in respect of the resolution to approve the Directors' Remuneration Report at the Company's Annual General Meeting on 22 May 2014:

	For (no. of votes)	For (% of vote)	Against (no. of votes)	Against (% of vote)	Withheld (no. of votes)
Resolution					
To approve the Directors' Remuneration Policy	91,229,430	99.95%	45,631	0.05%	1,537
Resolution					
To receive and approve the 2013 Directors' Remuneration Report	91,244,113	99.96%	32,101	0.04%	384

Shareholder return

Performance graph (unaudited)

The graph below shows the TSR performance from 1 January 2010 to 31 December 2014. This is compared against the TSR performance of the FTSE 250 index. The Group was a member of the FTSE 250 index between September 2007 and March 2010. The graph is based upon £100 being invested in the shares of PV Crystalox Solar PLC on 1 January 2010 if all dividends had been reinvested and the comparative figures for the FTSE 250 index again assuming that dividends were reinvested. The data has been sourced from Thomson Datastream.



Remuneration for the Chief Executive Officer over last five years

The table below shows the single figure remuneration for the Chief Executive Officer during each of the past six financial years. The total remuneration figure includes the annual bonus and LTIP awards which vested based on performance in those years. The annual bonus and LTIP percentages show the payout for each year as a percentage of the maximum.

	2009	2010	2011	2012	2013	**2014**
Total remuneration (€)	388,927	554,934	376,915	403,997	386,510	**314,187**
Annual bonus (%)	6.4%	50%	0%	—	—	**0%**
LTIP vesting (%)	—	—	—	—	—	**0%**

Notes

(1) Iain Dorrity, the Chief Executive Officer, is paid in Sterling but disclosure in Euros has contributed to the volatility of the results above.

(2) There were no annual bonus awards in respect of the financial years 2012 and 2013.

(3) There were no LTIP awards in respect of the financial years 2009, 2010, 2011 or 2012.

Percentage change in the remuneration of the Chief Executive

The table below sets out the increase in the salary, benefits and bonus of the Chief Executive Officer paid in Sterling and that of the PV Crystalox Group management population. This population has been selected for this comparison because it is considered to be the most relevant as these countries have the Group's largest concentration of employees with a similarly structured remuneration package.

	Chief Executive Officer	Group management population
	Percentage change (2014 v 2013)	Percentage change (2014 v 2013)
Salary	(25)%	7%
Benefits	0%	0%
Bonus	0%	0%

Relative importance of spend of pay

The table below shows a comparison between overall expenditure on pay and dividends paid to shareholders for 2014 and 2013.

	2014 €'000	2013 €'000	Percentage change
Overall expenditure on pay[1]	**6,620**	7,472	(11.4)%
Dividend paid in the year[2]	**—**	36,285	(100.0)%

1 Overall expenditure on pay is total staff costs for continuing and discontinued operations per note 4 in the Notes to the Consolidated Financial Statements.

2 Dividend here is the return of cash to all shareholders.

This report contains the information required by the Companies Act 2006 and the relevant parts of the Listing Rules of the United Kingdom Listing Authority and the United Kingdom Corporate Governance Code.

The information contained in this report is not subject to audit except where specified.

In accordance with the requirements of the Companies Act 2006, a resolution to approve this report will be proposed at the AGM to be held on 21 May 2015.

Mike Parker

Michael Parker
Chairman of the Remuneration Committee
18 March 2015

The responsibilities and work carried out by the Audit Committee in the year under review are set out in the following report.

Composition and governance

The Audit Committee of the Board is chaired by Michael Parker and is to be made up of a minimum of two members where a majority of the members shall be non-executive directors, at least one of whom shall have recent and relevant financial experience. The Audit Committee Chairman shall be an independent non-executive director. During the year, the Audit Committee was made up of two members, the independent non-executive director, Michael Parker, and John Sleeman, the Chairman of the Board, who was considered to be independent on appointment. John Sleeman is a Chartered Accountant and a Chartered Banker who in 2006 was a founding partner of, and since 2014 has been senior adviser to, S.P. Angel Corporate Finance LLP. The Board considers John Sleeman has recent and relevant financial experience. Michael Parker, a former CEO of both The Dow Chemical Company and BNFL, brings many years of international commercial experience to the Audit Committee. The Board believes that this combination of professional experience is appropriate to fulfil the duties of the Audit Committee.

The Chief Financial Officer and the external auditors are invited to attend Audit Committee meetings on a regular basis and other members may be invited to attend all or part of any meeting as and when appropriate. The Group Secretary acts as the Secretary of the Audit Committee. The Audit Committee meets not less than twice a year and is required to report formally to the Board on its proceedings.

The primary role of the Audit Committee, which reports its findings to the Board, is to ensure the integrity of the financial reporting and audit process and the maintenance of sound internal control and risk management systems. It is responsible for monitoring and reviewing:

- the integrity of the financial statements and formal announcements relating to the Group's financial performance;
- the Group's internal financial controls and internal control and risk management systems;
- the requirement for an internal audit function;
- the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's/Group's performance, business model and strategy;
- the Group's arrangements for whistleblowing, detecting fraud and preventing bribery;
- the external auditors' independence and objectivity and the effectiveness of the audit process; and
- making recommendations to the Board on the appointment or re-appointment of the Group's external auditors.

The terms of reference of the Audit Committee are available to members of the public upon request and are available on the Group's website at www.pvcrystalox.com.

External auditors

Non-audit services

The Group's external auditors are PricewaterhouseCoopers LLP ("PwC") and the Audit Committee operates a policy to safeguard the independence and objectivity of the external auditors. This policy requires approval of non-audit services provided by the external auditors in advance, with the requirement that on an annual basis the total fees for non-audit services do not exceed the total annual fees for audit services; sets out certain disclosure requirements by the external auditors to the Audit Committee; places restrictions on the employment of the external auditors' former employees; and partner rotation. During the year, the Audit Committee reviewed the processes that the external auditors have in place to safeguard their independence and received a letter from them confirming that, in their opinion, they remained independent.

A breakdown of the fees paid to the external auditors in respect of audit and non-audit related work is included in note 5 in the Notes to the Consolidated Financial Statements.

The Code has recommended that companies in the FTSE 350 index put their external audit contract out to tender at least every ten years. The Audit Committee has considered this recommendation and is mindful that the Company has not been a member of the FTSE 350 index since March 2010 and is not required to comply with this recommendation. In addition PwC were appointed with effect from the 2011 AGM following a tender process during November 2010. The Audit Committee has provided the Board with its recommendation to the shareholders to re-appoint PwC as external auditors for the year ending 31 December 2015. This will continue to be assessed on an annual basis.

The performance and effectiveness of the external auditors was formally reviewed by the Committee taking into account the views of directors and senior management on such matters as independence, objectivity, proficiency, resourcing and audit strategy and planning. The Committee concluded that the performance of the external auditors remained satisfactory following the review. The performance of the external auditors will continue to be reviewed annually.

Work undertaken during the year

The Audit Committee met twice during the year. Details of attendance are shown in the Corporate Governance Statement on page 15.

During the year the main items considered were:

- discussions with the auditors on the audit approach and strategy, the audit process, key issues arising out of the audit and discussions on the Audit Report;
- approval of the audit fees and the auditors' letter of engagement;
- approval of non-audit work to be undertaken by the auditors;
- considering the independence and objectivity of the external auditors;
- reviewing the internal controls and risk management systems in operation within the Group;
- consideration of the requirement for the Group to have an internal audit function;
- detailed reviews of the Group's preliminary announcement, Annual Report, Interim Reports and interim management statements;
- the Audit Committee effectiveness review;
- a review of the effectiveness of the external auditors; and
- a review of the terms of reference of the Audit Committee.

Financial reporting

The primary role of the Audit Committee in relation to financial reporting is to review with both management and the external auditors, and report to the Board where requested or required, the appropriateness of the half-year and annual financial statements concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with the external auditors;
- whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to our financial reporting.

To aid the review, the Audit Committee considers reports from the Chief Financial Officer and Group Financial Controller and also reports from the external auditors on the outcomes of their half-year review and annual audit. The Audit Committee supports PwC in displaying the necessary independence and objectivity its role requires.

The primary areas of judgement considered by the Audit Committee in relation to the 2014 financial statements and how these have been addressed are listed below. In concluding that the below list represented the primary areas of judgement, the Audit Committee considered a report by management which referenced both quantitative and qualitative judgement factors across each significant account balance, assessing the impact on the user of the financial statements.

These are also areas of higher audit risk and accordingly PwC reported to the Audit Committee on and the Audit Committee discussed these judgements.

Going concern

Management has prepared a paper setting out the going concern position. This included a cash flow forecast for the Group illustrating the current cash position for each Group company and how management are comfortable that the Group will have sufficient liquidity through at least the twelve month period following the signing of the accounts. The Audit Committee discussed that paper, challenging the assumptions behind the plan and the sensitivities which could negatively impact trading. Further details on the assumptions within the going concern review are contained in the Financial Review. The Audit Committee was satisfied that the going concern basis of preparation continues to be appropriate.

Onerous contract provision

The Group continues to have long-term contracts for the supply of polysilicon where market prices for polysilicon are now significantly below the prices agreed in the original contracts. The financial statements include an onerous contract provision ("OCP") which provided for the anticipated losses under the contracts taking into account the terms of the contracts, the current state of negotiations with the suppliers and market conditions. Further details on the assumptions within the OCP review are contained in the Financial Review. A paper was presented by management to the Audit Committee setting out the details of the OCP. The Audit Committee assessed the judgements and was satisfied that the resultant provision has been calculated on a reasonable basis and reflects up-to-date information available at this time, including assumptions as to the quantity of polysilicon that is expected to be used in wafer production and the quantity that is expected to be sold as excess.

Investment in subsidiary undertakings

In the PV Crystalox Solar PLC parent company balance sheet are investments in subsidiaries which are greater than the consolidated net assets of those subsidiaries which indicates potential impairment. Management has prepared a paper demonstrating that there is sufficient expected additional value to support the carrying value of investments of £55.7 million. The Audit Committee has reviewed the paper, discussed and challenged the assumptions and is satisfied with management's judgement that the additional value will be realised.

Internal controls and risk management systems

The Board has overall responsibility for the Group's system of internal control and risk management systems and for reviewing its effectiveness. The Board delegates to executive management the responsibility for designing, operating and monitoring both the systems and the maintenance of effective internal control in each of the Group's operating subsidiaries. The internal controls and risk management systems are designed to meet the particular needs of the Group and the risks to which it is exposed and are designed to manage rather than eliminate risk. Accordingly they can provide only reasonable and not absolute assurance against material misstatement, losses, fraud or breaches of laws or regulations.

Executive management is responsible for establishing and maintaining adequate internal control and risk management systems relating to the financial reporting process and the Group's process for the preparation of consolidated accounts. The systems and controls in place include policies and procedures that relate to the maintenance of records that accurately and fairly reflect transactions and accurately record and control the Group's assets; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS"); require representatives of the operating subsidiaries to confirm that their reported information gives a true and fair view of the state of affairs of the subsidiary and the results for the period; and review and reconcile reported results.

The key procedures, which exist to provide effective internal controls and risk management systems, are as follows:

- clear limits of authority;
- a comprehensive system for consolidating financial results from Group companies and reporting these financial results to the Board;
- annual revenue, cash flow and capital forecasts reviewed regularly during the year, monthly monitoring of management accounts and capital expenditure reported to the Board and monthly comparisons with forecasts;
- financial controls and procedures;
- clear guidelines for the authorisation of significant transactions including capital expenditure and disposals under defined levels of authority;
- regular meetings of the executive directors;
- an Audit Committee, which approves audit plans and published financial information and reviews reports from external auditors arising from the audit and deals with significant control matters raised;
- regular Board meetings to monitor continuously any areas of concern;
- annual review of risks and internal controls; and
- annual review of compliance with the Code.

The Board has reviewed the operation and effectiveness of the Group's system of internal control, including financial, operational and compliance controls and risk management systems which were in place during the financial year ended 31 December 2014 and the period up to the date of approval of the financial statements. The subsidiary company finance directors led the review. The review was summarised into a report which was discussed by the Audit Committee and the Board in March 2015.

The Board confirmed that no significant weaknesses were identified in relation to the review conducted during the year.

The Board confirms that the ongoing process for identifying, evaluating and managing the significant risks faced by the Group is regularly reviewed by the Board in accordance with the Turnbull Guidance on internal control.

The Board has considered the need for an internal audit function but has decided that the size of the Group does not justify it at present. The Board will keep the decision under annual review.

Michael Parker
Chairman of the Audit Committee
18 March 2015

The directors are pleased to present their report together with the consolidated audited financial statements of the Group for the year ended 31 December 2014.

Results for the year
The Consolidated Statement of Comprehensive Income for the year ended 31 December 2014 is shown on page 37. The Consolidated Statement of Changes in Equity for the year is shown on page 39 and segmental information is shown in note 8 in the Notes to the Consolidated Financial Statements.

Dividends paid and proposed
The directors have not recommended a final dividend in respect of the current financial year and no interim dividend was paid during 2014. A return of cash to shareholders using a B and C share scheme which allowed shareholders the option to receive either a capital or income return took place in December 2013 at 7.25 pence per share. No dividends were paid in respect of 2013.

Strategic Report
The Group is required by the Companies Act 2006 to set out the development and performance of the business of the Group during the financial year ended 31 December 2014 and of the position of the Group at the end of the year and a description of the principal risks and uncertainties facing the Group. The information concerning the Strategic Report can be found on pages 01 to 13.

Corporate Governance Statement
As required by the Disclosure and Transparency Rules a Corporate Governance Statement has been made. This is included separately on pages 15 to 17.

Greenhouse gas reporting
The directors are required to set out in this report the annual quantity of emissions in tonnes of carbon dioxide equivalent from activities for which the Group is responsible, including the combustion of fuel and the operation of any facility. The report must state the annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity, heat, steam or cooling by the Company for its own use. This report is shown on page 13.

Future developments for the business/outlook
The Board's assessment and evaluation of future development and the outlook for the business is discussed in the Operational and Financial Review which can be found on pages 02 to 05.

Environmental policy
The environmental policy is discussed in the Corporate Responsibility Statement which can be found on pages 12 and 13.

Directors
The directors who served during the year to 31 December 2014 are:

Iain Dorrity	Chief Executive Officer and Executive Director
Peter Finnegan (until 31 May 2014)	Chief Financial Officer and Executive Director
Michael Parker*	Senior Independent Director Member of the Nomination Committee Chairman of the Remuneration Committee Chairman of the Audit Committee
John Sleeman*	Chairman Chairman of the Nomination Committee Member of the Remuneration Committee Member of the Audit Committee

* Non-executive directors.

There have been no changes since the year end. Biographical details of the directors are set out on page 17.

Retirement and re-election of directors
The Company's Articles of Association require all directors to seek re-election by shareholders at least once every three years. In addition, any directors appointed by the Board must stand for re-election at the first AGM following his or her appointment. Any non-executive directors who have served for more than nine years are subject to annual re-election.

The Board of Directors believes that the annual re-election of directors in line with the United Kingdom Corporate Governance Code (September 2012) (the "Code") is in the best interests of the Company. As a result all current directors have stood for annual re-election since the 2011 AGM. Accordingly, at the 2015 AGM all directors will retire and, being eligible, Iain Dorrity, Michael Parker and John Sleeman will offer themselves for re-election.

Directors' interests and remuneration
The Remuneration Report, which includes details of service agreements and the directors' interests in PV Crystalox Solar PLC shares, is set out on pages 19 to 27.

Beneficial interests in significant contracts
None of the directors has a material interest in any contract of significance to which the Group or any of its subsidiaries were party during the year.

Substantial shareholders
As at 27 February 2014 the Group had been notified, or is aware, of the following shareholdings amounting to 3% or more of the issued ordinary share capital of the Company:

	Number of ordinary shares	% of issued ordinary shares
Schroder Investment Management Limited	26,331,337	16.43
Iain Dorrity	17,099,371	10.67
Barry Garrard	16,108,323	10.05
Stuart Oldham	10,276,442	6.41
Hawkwood Capital	7,553,938	4.71
TD Direct Investing	6,088,654	3.80
Graham Young	5,398,888	3.37
Goldman Sachs International	5,169,338	3.23
Barclays Wealth	5,157,479	3.22

Directors' indemnity and insurance

As at the date of this report and throughout the year under review, the Company has provided to all the directors an indemnity in accordance with the Articles of Association (to the extent permitted by the Companies Act 2006) in respect of liabilities incurred as a result of their office and the Company has taken out an insurance policy in respect of those liabilities. This indemnity is a qualifying third party indemnity provision for the purposes of Sections 232 to 234 of the Companies Act 2006. Neither the indemnity nor insurance provides cover in the event that the director is proved to have acted dishonestly or fraudulently.

Share capital

The authorised share capital and allotted, called up and fully paid share capital of the Company is shown in note 28. As at the date of this report, 160.3 million ordinary shares of 5.2 pence each were allotted, called up and fully paid with an aggregate nominal value of €12.3 million.

The Company has a single class of share capital, which are ordinary shares of 5.2 pence each, and full details of rights accorded to the holders of these ordinary shares are set out in the Articles of Association. Holders of ordinary shares have the rights accorded to them under United Kingdom Company law, including the right to receive the Company's Annual Report and Accounts, attend and speak at general meetings, appoint proxies and exercise voting rights.

The Company operates an employee benefit trust to hold shares pending employees becoming entitled to them under the Company's employee share plans. The trust has an independent trustee which waives its rights to dividends on the shareholding; however, it did participate in the return of cash, details of which are set out in note 29. Details of employee share schemes and shares held by the PV Crystalox Solar PLC Employee Benefit Trust are set out in note 29.

In respect of the Company's share capital there are no restrictions on the transfer of shares, no limitations are placed on the holding of shares and prior approval is not required from the Company or from other holders of shares for a transfer.

Subject to the provisions of the Companies Act 2006 and of the Articles of Association, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

The Board may declare and pay such interim dividends as appears to the Board to be justified by the profits of the Company available for distribution. All dividends shall be apportioned and paid pro-rata according to the amount paid up on the shares.

The Company was given authority at the 2014 AGM to allot further shares up to a maximum of £2,778,169, which was approximately 33% of the issued share capital on 16 April 2014 and to allot an additional number of ordinary shares up to a maximum of £2,778,169 which is approximately a further 33% of the issued share capital on 16 April 2014 by way of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings. No ordinary shares were allocated during the period from the AGM to the date of this report. This authority will expire at the 2015 AGM and approval will be sought from shareholders at that meeting for a similar authority to be given for a further year.

The Company was given authority at the 2014 AGM to make market purchases of up to 16,027,897 of its own ordinary shares of 5.2 pence. This authority will expire at the 2015 AGM and approval will be sought from shareholders at that meeting for a similar authority to be given for a further year. The Company did not make any purchases of its own ordinary shares during the period from the AGM to the date of this report.

Going concern

Going concern is discussed on page 05 within the Operational and Financial Review.

Research and development

The Group spent €2.6 million (2013: €2.3 million) on research and development during the year in the field of continuous production process optimisation and improvement and adaptation of products to market requirements.

Change of control

There are a number of agreements that take effect, alter or terminate upon a change of control of one of the Group subsidiary companies such as commercial supplier and customer contracts. There is no individual contractual arrangement that is considered to be essential to the continuing operation of the Group.

All of the Company's share schemes contain provisions relating to a change of control. Outstanding options and awards normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

Financial risk management

The Group's financial risk management policy is set out in note 30 in the Notes to the Consolidated Financial Statements.

Disclosure of information to the auditors

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 Group's auditors are unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated that they are willing to continue in office. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors for the ensuing year will be proposed at the AGM.

Annual General Meeting

The AGM will be held at 3 More London Riverside, London SE1 2AQ on Thursday 21 May 2015 at 2.00pm. The Letter from the Chairman and Notice of Meeting document give full details of the AGM and the resolutions to be proposed.

By order of the Board

Matthew Wethey
Chief Financial Officer and Group Secretary
18 March 2015

The directors are responsible for preparing the Annual Report, the Directors' Remuneration 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 the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the parent company 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 they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group 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 IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Company financial statements respectively; 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 the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are 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.

The directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Directors section confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Matthew Wethey
Chief Financial Officer and Group Secretary
18 March 2015

Report on the Group financial statements

Our opinion

In our opinion, PV Crystalox Solar PLC's Group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 31 December 2014 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

What we have audited

PV Crystalox Solar PLC's financial statements comprise:

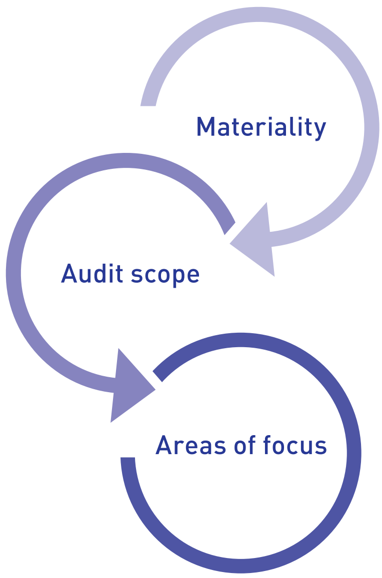
- the Consolidated Balance Sheet as at 31 December 2014;
- the Consolidated Statement of Comprehensive income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

Our audit approach

Overview



- Overall Group materiality: €786,000, which represents 1% of total assets.

- We conducted audit work at four of the six reporting units.
- Business units where we performed audit work accounted for 98% of Group total assets and 99% of Group loss before tax.

- Going concern.
- Onerous supplier contract provision.
- Risk of impairment of investment in subsidiary undertakings.

The scope of our audit and our areas of focus

The photovoltaic market within which the Group operates has been extremely challenging with there being a significant global overcapacity for a number of years. Within this market the Group purchases polysilicon from its two contracted long-term suppliers and then manufactures and sells silicon wafers. As a result of the difficult market conditions, both wafer and polysilicon prices have fallen significantly, such that the Group is currently unable to sell wafers at a price that exceeds the underlying purchase and manufacturing costs. This means that the Group has chosen to operate in a cash conservation mode with reduced manufacturing outputs and a strong focus on internal cost reduction. This has also meant that periodically the Group has chosen to sell purchased polysilicon to control inventory levels where it has not been used in the manufacturing process.

In common with most photovoltaic companies, both of the long-term supply contracts under which the Group purchases polysilicon include contractual prices that exceed the current market price. As a result, as in previous years, the Group has negotiated on a periodic basis with its two suppliers to modify both pricing and volumes. Whilst this means that the price the Group has purchased polysilicon at has been significantly below contract price, it has remained at a premium to market price.

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table overleaf. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Report on the Group financial statements continued
Our audit approach continued
The scope of our audit and our areas of focus continued

Area of focus	How our audit addressed the area of focus
Going concern Refer to the directors' assessment in relation to going concern on page 05 and note 1 (page 43). We focused on this area because, in recent years, global overcapacity has driven a significant and continuing decline in market prices across the photovoltaic value chain. This has placed significant pressure on the Group's ability to generate cash, as shown by the cash outflow of €15.3 million for the year in the consolidated cash flow statement. During the year, one of the polysilicon supply contracts was renegotiated to reschedule volumes over an extended period. The other contract is due to expire on 31 December 2015. The directors have prepared detailed cash flow forecasts. Their determination that the Group will continue in operation for the foreseeable future, and hence, the financial statements should be prepared using the going concern basis of accounting, is based both on these forecasts and on the amount of cash and polysilicon inventory that the Group held at the end of the year (€24.6 million and €19.4 million respectively). The going concern assumption is fundamental to the presentation of the financial statements and therefore a change in this assumption would alter their basis of preparation. The directors' forecasts are based on a number of assumptions including forecast polysilicon purchase prices and sales prices. Because of the inherent uncertainty in the agreement of polysilicon purchase prices and of the sales prices of polysilicon and wafers and the sensitivity of the forecasts to these assumptions, this is where we have focused our work.	We obtained the directors' cash flow forecasts, which covered a period of twelve months from the date of approval of the financial statements and confirmed that it forecast that the Group would have sufficient cash to continue in operation for that period. We focused on the key assumptions made in those cash flow forecasts, in particular the forecast polysilicon purchase prices and sales prices and wafer sales prices. To test the estimates the directors had made of the polysilicon purchase price we compared the estimates with the most recent contract amendments negotiated by the Group and confirmed that they were consistent. To test the estimates the directors had made regarding the sales prices, we confirmed that these reflected the most recent sales prices that the Group had achieved. We performed sensitivity analysis over these significant assumptions, both individually and collectively, contained in the cash flow forecasts to ascertain the extent of change that would be required for the Group to have insufficient cash flows to meet its ongoing liabilities as they fall due. We also considered the likelihood of such a movement arising. Our testing identified that the combination of circumstances necessary to lead to the Group having insufficient cash to meet its ongoing liabilities as they fall due is unlikely to occur in the foreseeable future. We also tested the carrying value of the polysilicon held by the Group at the year end by confirming that it was comparable to the latest sales price achieved by the Group. As part of this testing, we confirmed that the recoverable value was not lower than its carrying value, irrespective of whether the directors determine to sell the polysilicon in its raw state or to use it in the manufacturing process. We tested the amount of cash recorded on the balance sheet at year end by obtaining independent cash confirmations from the banking institutions. For our separate opinion on going concern, see opposite.
Onerous supplier contract provision Refer to pages 04 and 05 and note 1 (page 43) and note 22 (page 55). The Group had a liability of €15.5 million at the year end relating to the two long-term contracts with suppliers under which it is committed to purchases of polysilicon. During the year, one of these contracts was renegotiated to reschedule volumes over an extended period. The other contract is due to expire on 31 December 2015. As a result of the significant and ongoing decline in market prices for both polysilicon and silicon wafers, the resultant cost of polysilicon under the Group's long-term supply contracts (and subsequent amendments) means the Group continues to expect these contracts to be onerous and, hence, a provision is required. We focused on this area as the provision is material to the balance sheet and requires the directors to make estimates of the likely future cash flows that will be required to settle the Group's obligations. These estimates are also inherently subjective.	We evaluated and challenged the directors' rationale for the level of provision held. In their calculations of the provision, the directors used the same assumptions for the purchase and selling price of polysilicon and silicon wafers as they used in their analysis of the appropriateness of the going concern basis of accounting. Our testing of these assumptions is described above. To test the estimates the directors had made regarding the polysilicon purchase volumes, we compared them with the most recent contract amendments negotiated by the Group and signed supplier contracts and confirmed they were consistent. We also performed sensitivity analysis on the assumptions noted above and the discount rate applied in the calculation to ascertain the extent of change in those assumptions, either individually or collectively, which would be required for the provision to be materially misstated, and assessed the likelihood of these changes in assumption arising. We discussed the likelihood of such a change in these estimates with the directors and agreed with their conclusion that this was unlikely, particularly given that one of the supplier contracts ends in the next twelve months.

Report on the Group financial statements continued
Our audit approach continued
The scope of our audit and our areas of focus continued

Area of focus	How our audit addressed the area of focus
Risk of impairment of investment in subsidiary undertakings Refer to page 68. The carrying value of investments in the company balance sheet is £55.7 million at year end. We focused on this area as it is material to the Company balance sheet and the carrying value of the investments in the Company balance sheet exceeded the consolidated net assets of the subsidiaries. It also compares to a market capitalisation of the Group as at 31 December 2014 of £20.8 million. In conducting their impairment review, the directors were required by IFRSs to conduct an assessment of future cash flows, which is inherently subjective and reliant on a number of assumptions – the key one of which was the outcome of negotiations regarding certain customer contracts.	We obtained the directors' analysis supporting the carrying value of the investments. We challenged and evaluated their assumptions and forecasts regarding the likelihood and magnitude of future cash flows, and whether these are expected to give rise to sufficient additional economic benefit to be generated over and above the carrying value of the consolidated net assets of the subsidiaries in order to support their assessment that no impairment was required. We considered information in relation to the negotiations on customer contracts and did not identify any relevant facts that the directors had not considered in their assessment of the likely outcome. We also considered the outcome of similar historic negotiations undertaken by the Group and the range of possible current outcomes to identify the likelihood that impairment would arise. From the evidence obtained we agreed with the directors' assessment that no impairment is required at this time, based on the current status of negotiations.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured with operations in the UK, Germany and Japan. These operations are organised around the production and supply of one product: multicrystalline silicon wafers. The Group financial statements are a consolidation of six reporting units across these territories, comprising the Group's operating businesses and head office.

Based on our assessment of significance and risk, audits of the complete financial information of four of the six reporting units – PV Crystalox Solar PLC (UK), Crystalox Limited (UK), PV Crystalox Solar KK (Japan) and PV Crystalox Solar Silicon GmbH (Germany) – were performed. These four reporting units accounted for 98% of Group assets and 99% of the Group loss before tax. In addition, we performed procedures over the remaining reporting units to identify any unusual or unexpected transactions or balances.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality
- €786,000 (2013: €1.0 million).

How we determined it
- 1% of total assets.

Rationale for benchmark applied
- We considered financial metrics which we believed to be relevant and concluded that, consistent with last year, total assets was the most appropriate benchmark as it best reflected the underlying interests of the Group's members.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €39,000 (2013: €50,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

The directors have voluntarily complied with Listing Rule 9.8.6(R)(3) of the Financial Conduct Authority and provided a statement in relation to going concern, set out on page 05, required for companies with a premium listing on the London Stock Exchange.

The directors have requested that we review the statement on going concern as if the parent company were a premium listed company. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

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.

ISAs (UK & Ireland) reporting

The directors have chosen to voluntarily comply with the UK Corporate Governance Code ("the Code") as if the parent company were a premium listed company. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- information in the Annual Report is:
  - materially inconsistent with the information in the audited financial statements; or
  - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
  - otherwise misleading.
- the statement given by the directors on page 32, in accordance with provision C.1.1 of the Code, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit.
- the section of the Annual Report on pages 28 and 29, as required by provision C.3.8 of the Code describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Adequacy of 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. 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.

Other voluntary reporting

Matter on which we have agreed to report by exception

Corporate governance statement

The parent company prepares a corporate governance statement in accordance with the Disclosure Rules and Transparency Rules of the Financial Conduct Authority and has chosen voluntarily to comply with the UK Corporate Governance Code. The directors have requested that we review the parts of the Corporate Governance Statement relating to the parent company's compliance with the ten provisions of the UK Corporate Governance Code specified for auditor review by the Listing Rules of the Financial Conduct Authority as if the parent company were a premium listed company. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 32, 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 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

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 Group'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 Annual Report 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.

Other matter

We have reported separately on the parent company financial statements of PV Crystalox Solar PLC for the year ended 31 December 2014 and on the information in the directors' remuneration report that is described as having been audited.

Sam Taylor (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants
and Statutory Auditors
Reading
18 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	**2014 Total €'000**	2013 Total €'000
Continuing operations			
Revenues	8	**53,333**	71,442
Cost of materials and services	3	**(65,694)**	(55,103)
Personnel expenses	4	**(6,620)**	(6,454)
Depreciation and impairment of property, plant and equipment and amortisation of intangible assets		**(337)**	(441)
Other income	2	**12,132**	2,696
Other expenses	5	**(4,163)**	(4,693)
Currency gains and losses	30	**9,043**	3,081
(Loss)/profit before interest and taxes ("EBIT")		**(2,306)**	10,528
Finance income	6	**106**	796
Finance cost	6	**(2,450)**	(4,698)
(Loss)/profit before taxes ("EBT")		**(4,650)**	6,626
Income taxes	7	**(2)**	(390)
(Loss)/profit for the year from continuing operations		**(4,652)**	6,236
Discontinued operations			
Loss for the year from discontinued operations	36	**—**	(2,577)
(Loss)/profit for the year attributable to owners of the parent		**(4,652)**	3,659
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustment		**2,498**	(4,974)
Total comprehensive loss			
Attributable to owners of the parent		**(2,154)**	(1,315)
Basic and diluted (loss)/earnings per share in Euro cents			
From continuing operations	9	**(3.0)**	1.7
From discontinued operations	9	**—**	(0.7)
From (loss)/profit for the year	9	**(3.0)**	1.0

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
Intangible assets	15	**38**	44
Property, plant and equipment	16	**2,355**	2,351
Pension surplus	27	**—**	108
Other non-current assets	17	**5,425**	14,626
Total non-current assets		**7,818**	17,129
Cash and cash equivalents	10	**24,592**	39,900
Trade accounts receivable	11	**5,341**	13,473
Inventories	12	**28,630**	13,009
Prepaid expenses and other assets	13	**12,380**	11,504
Current tax assets	14	**16**	70
Total current assets		**70,959**	77,956
Total assets		**78,777**	95,085
Loans payable	19	**—**	690
Trade accounts payable	20	**1,762**	2,827
Deferred revenue	26	**3,235**	3,342
Accrued expenses	21	**1,564**	2,689
Provisions	22	**14,577**	12,594
Deferred grants and subsidies	23	**111**	152
Current tax liabilities	24	**156**	199
Other current liabilities	25	**72**	50
Total current liabilities		**21,477**	22,543
Accrued expenses	21	**111**	146
Provisions	22	**1,019**	13,969
Other non-current liabilities		**236**	43
Total non-current liabilities		**1,366**	14,158
Share capital	28	**12,332**	12,332
Share premium		**50,511**	50,511
Other reserves		**25,096**	25,096
Shares held by the EBT		**(679)**	(7,610)
Share-based payment reserve		**741**	922
Reverse acquisition reserve		**(3,601)**	(3,601)
(Accumulated losses)/retained earnings		**(7,631)**	4,067
Currency translation reserve		**(20,835)**	(23,333)
Total equity		**55,934**	58,384
Total liabilities and equity		**78,777**	95,085

The accompanying notes form an integral part of these statements.

The financial statements on pages 37 to 63 were approved by the Board of directors on 18 March 2015 and signed on its behalf by:

Iain Dorrity
Chief Executive Officer

Company number
06019466

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Share capital €'000	Share premium €'000	Other reserves €'000	Shares held by the EBT €'000	Share-based payment reserve €'000	Reverse acquisition reserve €'000	Retained earnings/ (accumulated losses) €'000	Currency translation reserve €'000	Total equity €'000
As at 1 January 2013		12,332	75,607	—	(8,640)	819	(3,601)	36,693	(18,359)	94,851
Shareholder return	35	—	—	—	—	—	—	(36,285)	—	(36,285)
Issue and redemption of B shares	28	—	(25,096)	25,096	—	—	—	—	—	—
Share-based payment charge		—	—	—	—	103	—	—	—	103
Award of shares		—	—	—	119	—	—	—	—	119
B share capital in shares for the EBT	29	—	—	—	911	—	—	—	—	911
Transactions with owners		—	(25,096)	25,096	1,030	103	—	(36,285)	—	(35,152)
Profit for the year		—	—	—	—	—	—	3,659	—	3,659
Currency translation adjustment		—	—	—	—	—	—	—	(4,974)	(4,974)
Total comprehensive loss		—	—	—	—	—	—	3,659	(4,974)	(1,315)
As at 31 December 2013		12,332	50,511	25,096	(7,610)	922	(3,601)	4,067	(23,333)	58,384
As at 1 January 2014		12,332	50,511	25,096	(7,610)	922	(3,601)	4,067	(23,333)	58,384
Revaluation of shares held by the EBT	28	—	—	—	6,868	178	—	(7,046)	—	—
Share-based payment charge		—	—	—	—	444	—	—	—	444
Award of shares		—	—	—	63	(803)	—	—	—	(740)
Transactions with owners		—	—	—	6,931	(181)	—	(7,046)	—	(296)
Profit for the year		—	—	—	—	—	—	(4,652)	—	(4,652)
Currency translation adjustment		—	—	—	—	—	—	—	2,498	2,498
Total comprehensive loss		—	—	—	—	—	—	(4,652)	2,498	(2,154)
As at 31 December 2014		**12,332**	**50,511**	**25,096**	**(679)**	**741**	**(3,601)**	**(7,631)**	**(20,835)**	**55,934**

	Notes	2014 €'000	2013 €'000
CONTINUING OPERATIONS			
(Loss)/profit before taxes		**(4,650)**	6,626
Adjustments for:			
Net interest expense	6	**2,344**	3,902
Depreciation and amortisation	15,16	**337**	441
Inventory writedown	12	**—**	681
Charge for retirement benefit obligation and share-based payments	27,29	**—**	35
Decrease in provisions	22	**(14,761)**	(31,747)
Gain from the disposal of property, plant and equipment and intangibles		**(2)**	(1,072)
Losses/(gains) in foreign currency exchange		**156**	(500)
Derecognition of grants and subsidies		**—**	20
Change in deferred grants and subsidies		**(48)**	(57)
		(16,624)	(21,671)
Changes in working capital			
(Increase)/decrease in inventories	12	**(14,847)**	20,965
Decrease/(increase) in accounts receivables	11,13	**9,074**	(5,731)
Decrease in accounts payables and deferred income	20,21	**(2,926)**	(214)
Decrease in other assets	17	**9,576**	9,508
Decrease/(increase) in other liabilities	25	**22**	(335)
		(15,725)	2,522
Income taxes received	14	**7**	1,118
Interest received		**44**	796
Net cash (used in)/generated from operating activities		**(15,674)**	4,436
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**2**	1,190
Proceeds/(repayment) of investment grants and subsidies	23	**7**	(2,477)
Payments to acquire property, plant and equipment and intangibles	15,16	**(251)**	(122)
Net cash used in investing activities		**(242)**	(1,409)
Cash flow from financing activities			
Repayment of bank and other borrowings	19	**(712)**	(3,356)
Dividends paid	35	**—**	(36,285)
Interest paid	6	**(1)**	(101)
Net cash used in financing activities		**(713)**	(39,742)
Net change in cash and cash equivalents available from continuing operations		**(16,629)**	(36,715)

	Notes	2014 €'000	2013 €'000
DISCONTINUED OPERATIONS			
Earnings before taxes		—	(1,855)
Adjustments for:			
Depreciation and amortisation	15,16	—	38
Impairment	15,16	—	(720)
Recognition of grants and subsidies		—	(18,452)
Loss from the disposal of property, plant and equipment and intangibles		—	20,250
		—	(739)
Changes in working capital			
Decrease in inventories	12	—	816
Decrease in accounts payables and deferred income	20,21	—	(3,794)
Decrease in other assets	17	—	366
Increase in other liabilities	25	—	(138)
Net cash used in operating activities		—	(3,489)
Cash flow from investing activities			
Payments to dispose of property, plant and equipment and intangibles	15,16	—	(12,261)
Net cash used in investing activities		—	(12,261)
Net change in cash and cash equivalents available from discontinued operations		—	(15,750)
Cash generated from continuing and discontinued operations		**(16,629)**	(52,465)
Effects of foreign exchange rate changes on cash and cash equivalents		**1,321**	(2,315)
Cash and cash equivalents at beginning of the year		**39,900**	94,680
Cash and cash equivalents at end of the year		**24,592**	39,900

The accompanying notes form an integral part of these financial statements.

1. Group accounting policies

Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has also been prepared under the historical cost convention except that it has been modified to include certain financial assets and liabilities (including derivatives) at their fair value through profit and loss. These policies have been consistently applied to all years presented unless otherwise stated.

PV Crystalox Solar PLC is incorporated and domiciled in the United Kingdom.

The financial statements for the year ended 31 December 2014 were approved by the Board of directors on 18 March 2015.

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the parent company is Sterling. The financial information has been presented in Euros, which is the Group's presentational currency. The Euro has been selected as the Group's presentational currency as this is the currency used in its significant contracts. The financial statements are presented in round thousands.

Foreign currency translation

Transactions in foreign currencies are translated into the functional currency of the respective entity at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the date the fair value was determined. Exchange gains and losses on monetary items are charged to EBIT.

The assets and liabilities of foreign operations are translated to Euros at foreign exchange rates ruling at the balance sheet date. The income and expenses of foreign operations are translated into Euros at the average foreign exchange rates of the year that the transactions occurred in. In the Consolidated Financial Statements exchange rate differences arising on consolidation of the net investments in subsidiaries are recognised in other comprehensive income under "Currency translation adjustment".

Use of estimates and judgements – overview

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income, expenses and contingent liabilities. Estimates and assumptions mainly relate to the useful life of non-current assets, the discounted cash flows used in impairment testing, the establishing of provisions for onerous contracts, taxes, share-based payment and inventory valuations. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. Actual values may vary from the estimates. The estimates and the assumptions are under continuous review with particular attention paid to the life of material plant.

Critical accounting and valuation policies and methods are those that are both most important to the depiction of the Group's financial position, results of operations and cash flows and that require the application of subjective and complex judgements, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent years. The critical accounting policies that the Group discloses will not necessarily result in material changes to our financial statements in any given year but rather contain a potential for material change. The main accounting and valuation policies used by the Group are outlined in the following notes. While not all of the significant accounting policies require subjective or complex judgements, the Group considers that the following accounting policies should be considered critical accounting policies.

Use of estimates – property, plant and equipment impairment

Property, plant and equipment are depreciated over their estimated useful lives. The estimated useful lives are based on estimates of the period during which the assets will generate revenue. The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets, are subject to regular impairment testing and are reviewed annually and upon indication of impairment.

Having considered the current and, lack of certainty of, future profitability of other Group companies, the majority of property, plant and equipment has previously been written down to scrap value.

Although we believe that our estimates of the relevant expected useful lives, our assumptions concerning the business environment and developments in our industry and our estimations of the discounted future cash flows are appropriate, changes in assumptions or circumstances could require changes in the analysis. This could lead to additional impairment charges or allowances in the future or to valuation write-backs should the expected trends reverse.

Use of estimates – deferred taxes

To compute provisions for taxes, estimates have to be applied. These estimates involve assessing the probability that deferred tax assets resulting from deductible temporary differences and tax losses can be utilised to offset taxable income in the future.

Due to the lack of certainty around future profits, all deferred tax assets continue to be unrecognised in the year's balance sheet.

1. Group accounting policies continued

Use of estimates – provisions – onerous contract provisions

In keeping with normal practice in the industry at the time, the Group entered into long-term supply contracts for its raw material, polysilicon, with two major suppliers. Given the significant unexpected decline in market prices for polysilicon and silicon wafers, the resultant cost of polysilicon under these contracts means the Group is expecting losses on these contracts.

Consequently the financial statements include a provision of €15.5 million (2013: €26.5 million) for the discounted total of currently anticipated losses under these contracts.

Any further renegotiation of these contracts or improvement in market pricing would reduce this provided for loss.

Use of estimates – inventory valuation

Given the significant unexpected decline in market prices for polysilicon and silicon wafers, the carrying amount of inventory has been reduced to net realisable value.

Net realisable value has been determined as estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Any improvement in anticipated selling prices would reduce the level of writedown necessary and would be taken as profit in 2015.

Basis of consolidation

The Group financial statements consolidate those of the Group and its subsidiary undertakings drawn up to 31 December 2014. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

The results of any subsidiary sold or acquired are included in the Consolidated Statement of Comprehensive Income up to, or from, the date control passes.

Consolidation is conducted by eliminating the investment in the subsidiary with the parent's share of the net equity of the subsidiary.

The Group owns 100% of the voting rights in PV Crystalox Solar Kabushiki Kaisha. Non-controlling interests in equity of €43,400 are related to non-redeemable preferred stock, subject to a guaranteed annual dividend payment of €2,000. As the fair value of the resulting dividend liabilities reduces the equity portion to marginal amounts, all non-controlling interests have been reclassified as liabilities.

On acquisition of a subsidiary, all of the subsidiary's separately identifiable assets and liabilities existing at the date of acquisition are recorded at their fair value reflecting their condition at that date. Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of such net assets. So far no acquisitions have taken place since inception of the Group.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

Going concern

A description of the market conditions including the continued suppression in spot prices of wafers during 2014 and the Group's actions to conserve cash are included in the Operational and Financial Review.

As part of its normal business practice, the Group regularly prepares both annual and longer-term plans which are based on the directors' expectations concerning key assumptions. The assumptions around contracted sales volumes and prices and contracted purchase volumes and prices are based on management's expectations and are consistent with the Group's experience in the first part of 2015.

The Group has long-term contracts with two external suppliers for purchase of polysilicon, our main raw material, for volumes in excess of current reduced production requirements. The Group's management has been successful in reaching accommodation with these suppliers to secure periodic contract amendments and adjust prices and volumes. As a result, these amendments have brought the terms more in line with current market pricing. To manage inventory levels the Group continues to sell excess polysilicon into the spot market.

The nature of the Group's operation means that it can vary production levels to match market requirements. As part of the cash conservation measures and the associated planning assumptions, production output currently remains reduced to match expected demand. In line with the Group's strategy of retaining flexibility in production levels, production can be brought back on stream when market conditions allow.

As a result of these modelling assumptions the base plans indicate that the Group will be able to operate within its net cash reserves for the foreseeable future.

On 31 December 2014 there was a net cash balance of €24.6 million, including funds held by an employee benefit trust.

Therefore, whilst any consideration of future matters involves making a judgement at a particular point in time about future events that are inherently uncertain, the directors, after careful consideration and after making appropriate enquiries, are of the opinion that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Thus the Group continues to adopt the going concern basis of accounting in preparing the annual financial statements.

1. Group accounting policies continued

Effects of new accounting pronouncements

Accounting standards, IFRICs and other guidance in effect or applied for the first time in 2014

- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosures of interests in other entities'
- Amendments to IFRS 10, 11 and 12 on transition guidance
- IAS 27, 'Separate financial statements'
- IAS 28, 'Associates and joint ventures'
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities
- Amendments to IAS 32 on Financial instruments asset and liability offsetting
- Amendment to IAS 36, 'Impairment of asset' on recoverable amount disclosures
- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on novation of derivatives and hedge accounting
- IFRIC 21, 'Levies'

The above have not made a material difference to the financial statements.

In issue, but not yet effective

The following interpretations are in issue, but not yet effective. The Group does not believe that any will have a material impact on the Group's financial positions, results of operations or cash flows.

- Amendment to IAS 19 regarding defined benefit plans
- Annual improvements 2012, annual improvements 2013 and annual improvements 2014
- Amendment to IFRS 11, 'Joint arrangements'
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets'
- Amendments to IAS 16, 'Property, plant and equipment'
- IFRS 14, 'Regulatory deferral accounts'
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and join ventures'
- IFRS 15, 'Revenue from contracts with customers'
- IFRS 9, 'Financial instruments'
- Amendments to IFRS 9, 'Financial instruments', regarding general hedge accounting

Intangible assets

Intangible assets are stated at cost net of accumulated amortisation. The Group's policy is to write off the difference between the cost of intangible assets and their estimated realisable value systematically over their estimated useful life. Amortisation of intangible assets is recorded under "Depreciation and impairment of property, plant and equipment and amortisation of intangible assets" in the Consolidated Statement of Comprehensive Income.

Acquired computer software licences and patents are capitalised on the basis of the costs incurred to purchase and bring into use the software.

The capitalised costs are written down using the straight-line method over the expected economic life of the patents and licences (five years) or the software under development (three to five years).

Internally generated intangible assets – research and development expenditure

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the Consolidated Statement of Comprehensive Income.

Property, plant and equipment

Property, plant and equipment is stated at acquisition or construction cost, net of depreciation and provision for impairment. No depreciation is charged during the period of construction. The cost of own work capitalised is comprised of direct costs of material and manufacturing and directly attributable costs of manufacturing overheads. All allowable costs up until the point at which the asset is physically able to operate as intended by management are capitalised. The capitalised costs are written down using the straight-line method.

The Group's policy is to write off the difference between the cost of property, plant and equipment and its residual value systematically over its estimated useful life. Reviews of the estimated remaining lives and residual values of individual productive assets are made annually, taking commercial and technological obsolescence as well as normal wear and tear into account.

The total useful lives range from five to ten years for plant and machinery and up to 15 years for other furniture and equipment. Property, plant and equipment are reviewed for impairment at each balance sheet date or upon indication that the carrying value may not be recoverable.

The gain or loss arising on disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Comprehensive Income.

1. Group accounting policies continued

Impairment

The carrying amount of the Group's non-financial assets, is subject to impairment testing upon indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal and value in use based on an internal discounted cash flow evaluation. The asset is subsequently reviewed for possible reversal of the impairment at each reporting date.

Leased assets

Leases are categorised as per the requirements of IAS 17. Where risks and rewards are transferred to the lessee, the lease is classified as a finance lease. All other leases are classed as operating leases.

Rentals under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. Lease incentives are spread over the total period of the lease.

The obligations from operating lease contracts are disclosed among financial obligations.

For the reporting year, no assets were recorded under finance leases.

Other income

Income other than that from sale of silicon products is recognised at the point of entitlement to receipt and shown as other income.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recorded initially at fair value net of transaction costs if changes in value are not charged directly to the Consolidated Statement of Comprehensive Income. Subsequent measurement depends on the designation of the instrument, as follows:

Amortised cost

- short-term borrowing, overdrafts and long-term loans are held at amortised cost; and
- accounts payable which are not interest bearing are recognised initially at fair value and thereafter at amortised cost under the effective interest method.

Held for trading

- derivatives, if any, comprising interest rate swaps and foreign exchange contracts, are classified as held for trading. They are included at fair value, upon the valuation of the local bank.

Loans and receivables

- non-interest bearing accounts receivable are initially recorded at fair value and subsequently valued at amortised cost, less provisions for impairment. Any change in their value through impairment or reversal of impairment is recognised in profit or loss net of any advance payment held by the Group where a right of offset exists; and
- cash and cash equivalents comprise cash balances and call deposits with maturities of less than three months together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Interest and other income resulting from financial assets are recognised in profit or loss on the accruals basis, using the effective interest method.

Inventories

Inventories are stated at the lower of cost or net realisable value.

Acquisition costs for raw materials are usually determined by the weighted average method.

For finished goods and work in progress, cost of production includes directly attributable costs for material and manufacturing and an attributable proportion of manufacturing overhead expenses (including depreciation) based on normal levels of activity. Selling expenses and other overhead expenses are excluded. Interest is expensed as incurred and therefore not included. Net realisable value is determined as estimated selling price for silicon wafers or polysilicon less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Contingent liabilities

Provisions are made for contingent liabilities where there is an obligation at the balance sheet date, an adverse outcome is probable and associated costs can be estimated reliably. Where no obligation is present at the balance sheet date no provision is made, although, where material, the contingent liability will be disclosed in a note.

Current and deferred taxes

Current tax is the tax currently payable based on taxable profit for the year, including any under or over provisions from prior years.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

1. Group accounting policies continued

Public grants and subsidies

As the German wafering operation is located in a region designated for economic development, the Group received both investment subsidies and investment grants. Government grants and subsidies relating to capital expenditure were credited to the "Deferred grants and subsidies" account and released to the Consolidated Statement of Comprehensive Income by equal annual instalments over the expected useful lives of the relevant assets under "Other income".

Government grants of a revenue nature, mainly for research and development purposes, were credited to the Consolidated Statement of Comprehensive Income in the same year as the related expenditure.

All required conditions of these grants have been met and it is the Group's intention that they will continue to be met.

Provisions

Provisions are formed where a third party obligation exists, which will lead to a probable future outflow of resources and where this outflow can be reliably estimated. Provisions are measured at the best estimate of the expenditure required to settle the obligation, discounted to present value. The resulting charge upon the discounting being unwound is recorded as a finance cost.

Accruals

Accruals are recognised when an obligation to meet an outflow of economic benefit in the future arises at the balance sheet date.

Accruals are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer. Ownership is considered to have transferred once products have been received by the customer unless shipping terms dictate any different. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

The Group has outsourced some elements of production to external companies. In cases in which the Group retains power of disposal over the product or product element, a sale is only recognised under IFRS when the final product is sold. The final product is deemed to have been sold when the risks and rewards of ownership have been transferred to a third party.

Finance income and costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and dividend income and gains.

Interest income is recognised in the Consolidated Statement of Comprehensive Income as it accrues, using the effective interest method.

Exceptional items

Exceptional items are those items that in the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

Due to the current volatility in the PV industry and any (previously) unusual charges being in keeping with those of other similar companies, the directors believe that separate disclosure would not therefore be beneficial.

Defined benefit pension plan

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually 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 Government bonds at the balance sheet date with a ten year maturity, adjusted for additional term to maturity of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited directly to the Consolidated Statement of Comprehensive Income in the period in which they arise.

Past service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional to the employees remaining in service for a specified period of time (the vesting period).

Defined contribution plan

For defined contribution plans, the Group pays contributions to pension insurance plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are incurred.

Employee benefit trust

All assets and liabilities of the Employee Benefit Trust ("EBT") have been consolidated in these financial statements as the Group has de facto control over the trust's net assets as the parent of its sponsoring company.

Deferred revenue and other long-term assets

As is common practice within the sector, the Group, where appropriate, both seeks to receive deposits from customers in advance of shipment and makes deposits in advance of supplies of silicon tetrachloride and polysilicon feedstock.

These deposits are held on the Balance Sheet and matched against revenue/cost as appropriate.

Deposits received from customers are not discounted, as the effect is not considered to be material.

1. Group accounting policies continued

Share-based payments

The Group has applied the requirements of IFRS 2, 'Share-based payments'. The Group issues equity-settled share-based payments to certain employees. These are measured at their fair value at the date of the grant using an appropriate option pricing model and are expensed over the vesting year, based on the Group's estimate of the number of shares that will eventually vest. Grants of shares made during 2008 and 2007 are not subject to performance criteria and were valued at the date of the grant at market value. During 2011 awards were granted under the Performance Share Plan to employees. The share options granted are subject to performance criteria required for the option to vest and are considered in the method of measuring fair value. Fair value is assessed using the Black-Scholes method.

Charges made to the Consolidated Statement of Comprehensive Income in respect of share-based payments are credited to the share-based payment reserve.

Shareholders' equity

Shareholders' equity is comprised of the following balances:

- share capital is comprised of 160,278,975 ordinary shares of 5.2 pence each;
- share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of share issue;
- other reserves arising from the issue and redemption of B shares in 2013;
- investment in own shares is the Group's shares held by the EBT that are held in trust for the benefit of employees;
- share-based payment reserve is the amount charged to the Consolidated Statement of Comprehensive Income in respect of shares already granted or options outstanding relative to the vesting date or option exercise date;
- the reverse acquisition reserve is the difference between the value of the assets acquired and the consideration paid by way of a share for share exchange on 5 January 2007;
- accumulated losses/retained earnings is the cumulative profit retained by the Group; and
- currency translation reserve represents the differences arising from the currency translation of the net assets in subsidiaries.

2. Other income

	2014 €'000	2013 €'000
Recognition of accrued grants and subsidies for investments	48	57
Sale of property, plant and equipment	2	1,190
Customer compensations	10,222	—
Supplier compensations	1,234	180
Research and development grants	264	494
Miscellaneous	362	775
	12,132	2,696

Customer compensations relate to settlements with two of the Group's previous contract wafer customers.

Supplier compensation in 2014 relates to a release of a provision for a previously cancelled supply contract.

3. Cost of materials and services

The cost of materials is attributable to the consumption of silicon, ingots, wafers, chemicals and other consumables as well as the purchase of merchandise.

	2014 €'000	2013 €'000
Cost of raw materials, supplies and purchased merchandise	54,785	46,961
Change in finished goods and work in progress	(1,166)	17,286
Inventory writedowns	—	681
Onerous contract charge (see note 22)	8,162	(11,652)
Purchased services	3,913	1,827
Cost of materials and services	65,694	55,103

4. Personnel expenses

	2014 €'000	2013 €'000
Staff costs for the Group during the year – continuing operations		
Wages and salaries	**5,808**	5,196
Social security costs	**861**	820
Other pension costs	**263**	179
Employee share schemes	**(312)**	243
Restructuring costs	**—**	16
Total	**6,620**	6,454
Staff costs for the Group during the year – discontinued operations		
Wages and salaries	**—**	787
Social security costs	**—**	229
Other pension costs	**—**	2
Restructuring costs	**—**	—
Total	**—**	1,018
Total – continuing and discontinued	**6,620**	7,472

Included within pension costs of continuing operations is €nil (2013: €nil) relating to actuarial losses on defined benefit pension obligations.

Employees
The Group employed a monthly average of 122 employees during the year ended 31 December 2014 (2013: 153).

	2014 Number	2013 Number
Germany	**70**	115
United Kingdom	**47**	33
Japan	**5**	5
	122	153
Of which, related to discontinued operations	**—**	41

	2014 Number	2013 Number
Production	**66**	90
Administration	**56**	63
	122	153

The Group employed 138 employees at 31 December 2014 (31 December 2013: 88).

The remuneration of the Board of directors, including appropriations to pension accruals, is shown in the Directors' Remuneration Report on pages 19 to 27.

5. Other expenses

	2014 €'000	2013 €'000
Land and building operating lease charges	**2,162**	2,151
Repairs and maintenance	**102**	95
Selling expenses	**29**	13
Technical consulting, research and development	**44**	145
External professional services	**727**	1,225
Insurance premiums	**269**	280
Travel and advertising expenses	**104**	133
Bad debts	**—**	133
Staff related costs	**197**	47
Other	**529**	471
	4,163	4,693

Amounts payable to the Group's auditors:

	2014 €'000	2013 €'000
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	**84**	96
Fees payable to the Company's auditors and their associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**106**	114
– Other assurance services	**5**	77
	195	287

Other assurance services relate to the restructure of the Group and the shareholder return.

6. Finance income and costs

Finance income and costs are derived/incurred on financial assets/liabilities and recognised under the effective interest method.

The resulting charge upon unwinding the discount charge on provisions is recorded as a finance cost.

	2014 Total €'000	2013 Total €'000
Finance income	**106**	796
Finance expense:		
Expense of Group borrowings	**(1)**	(41)
Expense of pension commitment	**(59)**	(60)
Expense of unwinding provision discounting charge (note 22)	**(2,390)**	(4,597)
Finance expense	**(2,450)**	(4,698)

7. Income taxes

	2014 Total €'000	2013 Total €'000
Current tax:		
Current tax on loss for the year	**2**	200
Total current tax	**2**	200
Deferred tax (note 18):		
Derecognition of previously recognised tax losses	**—**	190
Total deferred tax	**—**	190
Total tax charge	**2**	390

7. Income taxes continued

The total tax rate for the German companies is 32.275% (2013: 32.275%). The effective total tax rate in the United Kingdom was 21.5% (2013: 23.25%) and the total tax rate in Japan was 39.91% (2013: 39.91%). These rates are based on the legal regulations applicable or adopted at the balance sheet date.

The Finance Act 2013 included legislation to further reduce the main rate of corporation tax in the UK to 20% with effect from 1 April 2015. The German rate will be unchanged in 2015 and in Japan it is expected the total rate will fall to 37.11% from 2016 onwards.

The impact of these changes on net deferred tax liabilities at 31 December 2014, profit for the year (underlying and statutory) and comprehensive income for the year has not been significant. The impact of these further changes is not expected to be material.

The tax on the Group's results before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	2014 €'000	2013 €'000
(Loss)/profit before tax	**(4,650)**	6,626
Expected income tax (credit)/expense at UK tax rate 21.5% (2013: 23.25%)	**(1,000)**	1,541
Adjustments for foreign tax rates	**(395)**	(474)
Taxation on intercompany sale of the shares	**—**	183
Income not subject to tax	**(1,563)**	(86)
Derecognition of previously recognised tax losses	**—**	190
Unrelieved tax losses	**845**	1,374
Chargeable gains	**—**	152
Utilisation of tax losses and other deductions	**535**	(2,391)
Expenses not deductible for tax	**1,580**	(99)
Total tax charge	**2**	390

8. Segment reporting

The chief operating decision-maker, who is responsible for allocating resources and assessing performance, has been identified as the executive Board. The Group is organised around the production and supply of one product, multicrystalline silicon wafers. Accordingly, the Board reviews the performance of the Group as a whole and there is only one operating segment. Disclosure of reportable segments under IFRS 8 is therefore not made.

Geographical information 2014

	Japan €'000	Taiwan €'000	Rest of Asia €'000	Germany €'000	United Kingdom €'000	Rest of Europe €'000	Rest of World €'000	Group €'000
Revenues								
By entity's country of domicile	**174**	**—**	**—**	**2,607**	**50,552**	**—**	**—**	**53,333**
By country from which derived	**199**	**37,626**	**4,623**	**149**	**26**	**10,325**	**385**	**53,333**
Non-current assets*								
By entity's country of domicile	**216**	**—**	**—**	**1,005**	**6,597**	**—**	**—**	**7,818**

* Excludes: financial instruments, deferred tax assets and post-employment benefit assets.

Three customers accounted for more than 10% of Group revenue each and sales to these customers are as follows (figures in €'000):
1. 22,154 (Taiwan);
2. 10,509 (Taiwan); and
3. 6,289 (Rest of Europe).

Geographical information 2013

	Japan €'000	Taiwan €'000	Rest of Asia €'000	Germany €'000	United Kingdom €'000	Rest of Europe €'000	Rest of World €'000	Group €'000
Revenues								
By entity's country of domicile	17,463	—	—	12,681	41,298	—	—	71,442
By country from which derived	17,356	14,042	7,124	9,560	30	8,351	14,979	71,442
Non-current assets*								
By entity's country of domicile	403	—	—	1,085	15,533	—	—	17,021

* Excludes: financial instruments, deferred tax assets and post-employment benefit assets.

Three customers accounted for more than 10% of Group revenue each and sales to these customers are as follows (figures in €'000):
1. 16,813 (Japan);
2. 14,979 (Rest of World); and
3. 9,575 (Germany).

9. Earnings per share

Net earnings per share is computed by dividing the net (loss)/profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted net earnings per share is computed by dividing the (loss)/profit for the year by the weighted average number of ordinary shares outstanding and, when dilutive, adjusted for the effect of all potentially dilutive shares, including share options.

	2014	2013
Basic shares (average)	**156,353,503**	381,393,715
Basic (loss)/profit per share – continuing operations (Euro cents)	**(3.0)**	1.7
Basic loss per share – discontinued operations	**—**	(0.7)
Basic (loss)/profit per share (Euro cents)	**(3.0)**	1.0
Diluted shares (average)	**160,308,111**	383,849,862
Diluted (loss)/profit per share – continuing operations (Euro cents)	**(3.0)**	1.7
Diluted loss per share – discontinued operations	**—**	(0.7)
Diluted (loss)/profit per share (Euro cents)	**(3.0)**	1.0

As the Group is currently loss making, the diluted loss per share is equal to the basic loss per share.

Basic shares and diluted shares for this calculation can be reconciled to the number of issued shares (see note 28) as follows:

	2014	2013
Shares in issue (see note 28)	**160,278,975**	416,725,335
Weighted average number of EBT shares held	**(3,925,472)**	(10,740,873)
Share consolidation (including EBT shares)	**—**	(24,590,747)
Weighted average number of shares for basic EPS calculation	**156,353,503**	381,393,715
Dilutive share options	**3,954,608**	2,456,147
Weighted average number of shares for fully diluted EPS calculation	**160,308,111**	383,849,862

10. Cash and cash equivalents

All short-term deposits are interest bearing at the various rates applicable in the business locations of the Group.

	As at 31 December	
	2014 €'000	2013 €'000
Cash at bank and in hand	**22,754**	30,486
Short-term bank deposits	**1,838**	9,414
	24,592	39,900

11. Trade accounts receivable

	As at 31 December	
	2014 €'000	2013 €'000
Japan	**118**	5,706
Germany	**5**	3,638
United Kingdom	**5,218**	4,129
	5,341	13,473

All receivables have short-term maturity. During the year no receivables were written off (2013: €133,238).

None of the unimpaired trade receivables are past due at the reporting date. The age of financial assets past due but not impaired is as follows:

	As at 31 December	
	2014 €'000	2013 €'000
Not more than three months	**—**	527

These amounts represent the Group's maximum exposure to credit risk at the year end. All amounts outstanding as at 31 December 2014 were received in the first two months of 2015.

12. Inventories

Inventories include finished goods and work in progress (ingots and blocks), as well as production supplies. The change in inventories is included in the Consolidated Statement of Comprehensive Income in the line "Cost of materials".

	As at 31 December	
	2014 €'000	2013 €'000
Finished products	**4,994**	4,440
Work in progress	**4,220**	3,361
Raw materials	**19,416**	5,208
	28,630	13,009

No inventory writedowns are included in cost of materials in 2014 (2013: €0.7 million).

13. Prepaid expenses and other assets

	As at 31 December	
	2014 €'000	2013 €'000
VAT	**2,125**	1,684
Prepaid expenses	**10,122**	9,705
Energy tax claims	**79**	64
Other current assets	**54**	51
	12,380	11,504

Prepaid expenses primarily comprise polysilicon feedstock deposits.

14. Current tax assets

	As at 31 December	
	2014 €'000	2013 €'000
Income tax recoverable	**16**	70

Income tax recoverable relates to reclaimable capital gains tax on interest received.

15. Intangible assets

Intangible assets relate to software licenses.

	Total €'000
Cost	
At 1 January 2014	1,061
Additions	22
Net effect of foreign currency movements	1
At 31 December 2014	**1,084**
Accumulated amortisation	
At 1 January 2014	1,017
Charge for the year	29
Net effect of foreign currency movements	—
At 31 December 2014	**1,046**
Net book amount	
At 31 December 2014	**38**
At 31 December 2013	44

15. Intangible assets continued

	Total €'000
Cost	
At 1 January 2013	1,526
Disposals	(406)
Net effect of foreign currency movements	(59)
At 31 December 2013	1,061
Accumulated amortisation	
At 1 January 2013	1,410
Charge for the year	60
Disposals	(406)
Net effect of foreign currency movements	(47)
At 31 December 2013	1,017
Net book amount	
At 31 December 2013	44
At 31 December 2012	116

16. Property, plant and equipment

	Plant and machinery €'000	Other furniture and equipment €'000	Assets under construction €'000	Total €'000
Cost				
At 1 January 2014	78,933	4,463	—	83,396
Additions	169	60	—	229
Disposals	(468)	(11)	—	(479)
Net effect of foreign currency movements	3,361	100	—	3,461
At 31 December 2014	**81,995**	**4,612**	**—**	**86,607**
Accumulated depreciation				
At 1 January 2014	76,883	4,162	—	81,045
Charge for the year	228	80	—	308
On disposals	(468)	(11)	—	(479)
Net effect of foreign currency movements	3,280	98	—	3,378
At 31 December 2014	**79,923**	**4,329**	**—**	**84,252**
Net book amount				
At 31 December 2014	**2,072**	283	**—**	**2,355**
At 31 December 2013	2,050	301	—	2,351

16. Property, plant and equipment continued

	Freehold land and buildings €'000	Plant and machinery €'000	Other furniture and equipment €'000	Assets under construction €'000	Total €'000
Cost					
At 1 January 2013	12,955	184,595	6,972	1,141	205,663
Additions	—	81	43	(2)	122
Reclassification	—	1,093	—	(1,093)	—
Disposals	(12,948)	(105,767)	(2,449)	(46)	(121,210)
Net effect of foreign currency movements	(7)	(1,069)	(103)	—	(1,179)
At 31 December 2013	—	78,933	4,463	—	83,396
Accumulated depreciation					
At 1 January 2013	12,312	174,949	6,554	1,042	194,857
Charge for the year	2	317	100	—	419
Reclassification	—	995	—	(995)	—
On disposals	(12,307)	(98,334)	(2,413)	(46)	(113,100)
Net effect of foreign currency movements	(7)	(1,044)	(79)	(1)	(1,131)
At 31 December 2013	—	76,883	4,162	—	81,045
Net book amount					
At 31 December 2013	—	2,050	301	—	2,351
At 31 December 2012	643	9,646	418	99	10,806

Assets under construction related to future plant and machinery yet to be bought into production at which point they are reclassified as such.

17. Other non-current assets

	As at 31 December	
	2014 €'000	2013 €'000
Polysilicon feedstock deposits (covering periods to 31 March 2018)	**5,288**	14,301
Prepaid expenses	**83**	68
Other assets	**54**	257
	5,425	14,626

18. Deferred taxes

Analysis of deferred tax assets and liabilities:

	2014 €'000	2013 €'000
Tax loss carried forward	**—**	—

Deferred tax assets arising as a result of losses are recognised where, based on the Group's budget, they are expected to be realised in the foreseeable future.

As at 31 December 2014 there were unrecognised potential deferred tax assets in respect of losses of €49.5 million (2013: €48.1 million).

The gross movement on the deferred income tax account is as follows:

	2014 €'000	2013 €'000
At 1 January	**—**	190
Exchange differences	**—**	—
Derecognition of deferred tax assets	**—**	(190)
Income statement charge	**—**	—
At 31 December	**—**	—

19. Loans payable

Underwriter	As at 31 December 2014 €'000	2013 €'000	Maturity	Interest rate
Sumitomo Mitsui Banking Corporation ("SMBC")	—	690	01/14	n/a

Previous loans were in Japanese Yen at a rate of 0.95%.

20. Trade accounts payable

	As at 31 December 2014 €'000	2013 €'000
Japan	**337**	853
United Kingdom	**928**	1,348
Germany	**497**	626
	1,762	2,827

The book value of these payables is materially the same as the fair value.

21. Accrued expenses

	2014 €'000	2013 €'000
Rents and ancillary rent costs	**493**	295
Salary related costs	**509**	470
Contract volume penalties	**—**	1,153
Other accrued expenses	**562**	771
Current accruals	**1,564**	2,689
Non-current accruals	**111**	146
Total accruals	**1,675**	2,835

22. Provisions

Movement in provisions is shown below:

	Onerous contract provision €'000	Warranty provisions €'000	Total €'000
Provisions brought forward	26,526	37	26,563
Unwinding of discount factor	2,390	—	2,390
Additional provision	9,715	17	9,732
Released	(1,553)	—	(1,553)
Exchange differences	(8,902)	—	(8,902)
Utilised	(12,634)	—	(12,634)
Provisions carried forward	15,542	54	15,596

	Onerous contract provision €'000	Warranty provisions €'000	Total €'000
Short-term element	14,523	54	14,577
Long-term element	1,019	—	1,019
Provisions carried forward	15,542	54	15,596

Warranty provisions unwind over a year from the date of sale, per the terms of the warranty agreement with customers.

The onerous contract provision is an allowance for the loss arising on the difference between raw material costs under these contracts and the anticipated selling price of the Group's end product. This is discussed further in note 1. This provision will unwind over the length of the contracts, between one and four years.

23. Deferred grants and subsidies

The grants from governmental institutions are bound to specific terms and conditions. The Group is obliged to observe retention periods of five years for the respective assets in the case of investment subsidies as well as of five years for assets under investment grants, and to retain a certain number of jobs created in conjunction with the underlying assets. In cases of breach of the terms, the grants received must be repaid. In the past, the grants received were subject to periodic audits, which were concluded without significant findings or adjustments.

The deferred grants and subsidies in the year under review consist of the following:

	As at 31 December	
	2014 €'000	2013 €'000
Investment grants	**111**	152
Current portion	**111**	152

24. Current tax liabilities

	As at 31 December	
	2014 €'000	2013 €'000
United Kingdom	**—**	43
Germany	**155**	155
Japan	**1**	1
	156	199

Current tax liabilities comprise both corporation and other non-VAT tax liabilities, calculated or estimated by the Group companies, as well as corresponding taxes payable abroad due to local tax laws, including probable amounts arising on completed or current tax audits.

25. Other current liabilities

	As at 31 December	
	2014 €'000	2013 €'000
Payroll liabilities	**32**	23
Other liabilities	**40**	27
	72	50

26. Deferred revenue

Where appropriate the Group enters into long-term contracts with its customers and may request payment deposits from them ahead of the supply of goods. At 31 December 2014, such deposits amounted to €3.2 million from one customer (2013: €3.3 million from two customers).

	As at 31 December	
	2014 €'000	2013 €'000
Current	**3,235**	3,342

27. Pension surplus/benefit

The obligation relates to fixed post-retirement payments for one former employee and one former employee's surviving spouse granted in 2005. The plan has been fully funded by insurance contracts held and paid in by the Group. In case of insolvency the benefits have been ceded to the beneficiaries directly. The scheme is not significant to the Group. Movements to the surplus/benefit are included within pension costs on the Consolidated Statement of Comprehensive Income.

28. Share capital

Ordinary shares of 5.2 pence each (2013: 5.2 pence)

	2014 Shares	2014 €'000	2013 Shares	2013 €'000
Allotted, called up and fully paid				
At 1 January	**160,278,975**	**12,332**	416,725,335	12,332
Share consolidation (note 35)	**—**	**—**	(256,446,360)	—
At 31 December	**160,278,975**	**12,332**	160,278,975	12,332

Summary of rights of share capital

The ordinary shares are entitled to receipt of dividends. On winding up, their rights are restricted to a repayment of the amount paid up to their share in any surplus assets arising. The ordinary shares have full voting rights.

B Shares at 7.25 pence each

	2014 Shares	2014 €'000	2013 Shares	2013 €'000
Issued and fully paid				
At 1 January	**—**	**—**	—	—
Issue of B shares	**—**	**—**	288,216,112	25,096
Redemption of B shares	**—**	**—**	(288,216,112)	(25,096)
At 31 December	**—**	**—**	—	—

On 27 November 2013, 288,216,112 B shares were issued at 7.25 pence each, resulting in a total of €25.096 million (£20.896 million) being credited to the B share capital account in "other reserves". On 4 December 2013, 288,216,112 B shares were redeemed at 7.25 pence each and an amount of €25.096 million (£20.896 million) was deducted from the B share capital account in "other reserves".

C Shares/deferred shares at 0.0000001 pence each

	2014 Shares	2014 €'000	2013 Shares	2013 €'000
Issued and fully paid				
At 1 January	**128,509,223**	**—**	—	—
Issue of C shares	**—**	**—**	128,509,223	—
Cancellation of deferred shares	**(128,509,223)**	**—**	—	—
At 31 December	**—**	**—**	128,509,223	—

On 27 November 2013, 128,509,223 C shares were issued at 0.0000001 pence each, resulting in a total of €0.16 being credited to the C share capital account. On 11 December 2013, these shares paid a dividend of 7.25 pence each totalling €11.189 million (£9.317 million) and were immediately reclassified as deferred shares of 0.0000001 pence each. The deferred shares remain outstanding at the year end.

At a Board meeting on 18 March 2014 the Board agreed to purchase the deferred shares with a nominal value of €0.16 and to cancel them in accordance with the Companies Act 2006.

Shares held by the EBT

At 31 December 2014, 3,853,910 ordinary shares of 5.2 pence were held by the EBT (2013: 4,100,326 ordinary shares of 5.2 pence). The market value of these shares was €0.640 million (2013: €0.721 million). Additionally, the EBT holds cash including the received cash in December 2013 following its election for B shares in the return of cash to shareholders. The cash balance held by the EBT on 31 December 2014 was €1.015 million (2013: €0.946 million).

In December 2014 the Directors agreed to write down the value of the shares held by the EBT to the market value at 31 December 2014. The share price was 13 pence per ordinary share of 5.2 pence each. This adjustment alters the value of the shares held by the EBT and reduces retained earnings by €6.868 million.

29. Share-based payment plans

In December 2013 a return of cash was made to all and was accompanied by a 5 for 13 share consolidation to maintain broad comparability of the share price. As a result the Board has agreed not to alter outstanding awards as a result of the share consolidation. Thus outstanding awards which were previously based on ordinary shares of 2 pence each are now the same number of ordinary shares of 5.2 pence each.

Share-based payment plans

The Group established the PV Crystalox Solar PLC EBT on 18 January 2007, which has acquired, and may in the future acquire, the Company's ordinary shares for the benefit of the Group's employees.

The Group currently has four share incentive plans in operation which are satisfied by grants from the EBT.

PV Crystalox Solar PLC Performance Share Plan ("PSP")

This plan was approved by shareholders at the 2011 AGM under which awards are made to employees, including executive directors, consisting of a conditional right to receive shares in the Company. The awards will normally vest after the end of a three year performance period, to the extent that performance conditions are met as detailed in the Directors' Remuneration Report (see pages 20 and 21).

No awards were made during 2014 (2013: nil).

On 26 May 2011 awards over up to 3,038,454 ordinary shares were granted to key senior employees including the three executive directors on the Board at that time. These awards were subject to achieving growth in both total shareholder return and earnings per share in the performance period ending on 31 December 2013. In view of the failure to achieve the minimum required performance as described in the Remuneration Report on pages 23 and 24 these awards lapsed.

PV Crystalox Solar PLC Executive Directors Deferred Share Plan ("EDDSP")

At the AGM on 28 May 2009 a bonus plan (with deferred share element) for executive directors was approved by the Company's shareholders in the context of bringing the arrangements more in line with market practice and aligning executive directors' pay more closely with the interests of the Company's shareholders. Half of each bonus was to be payable in cash and the other half deferred and payable in shares under the EDDSP which vests three years after the award date. Awards of deferred shares under the EDDSP are to be satisfied on vesting by the transfer of shares from the existing PV Crystalox Solar PLC Employee Benefit Trust.

No awards were made during 2014 (2013: nil). On 24 March 2011 awards over 358,423 shares were made to executive directors, as detailed in the Directors' Remuneration Report (see page 25) the award over 246,416 shares vested in May 2014.

PV Crystalox Solar PLC Long Term Incentive Plan ("LTIP")

This is a long-term incentive scheme under which awards are made to employees consisting of the right to acquire ordinary shares for a nominal price subject to the achievement of specified performance conditions at the end of the vesting period which is not less than three years from the date of grant. Under the LTIP it is possible for awards to be granted which are designated as a Performance Share Award, a Market Value Option or a Nil Cost Option. To date Performance Share Awards and Market Value Options have been granted.

Performance Share Award ("PSA")

A PSA is a conditional award of a specified number of ordinary shares which may be acquired for nil consideration. The PSAs granted to date have all been initial awards where there is no specified performance condition. The vesting period of each award is three years from the date of grant.

No awards were issued in 2014 (2013: nil). No awards are outstanding under this scheme.

Market Value Option ("MVO")

An MVO is an option with an exercise price per share equal to the market value of a share on the date of grant. The vesting period of each award is three years from the date of grant and the award must be exercised no later than ten years following the date of grant.

On 24 November 2008 an MVO over 200,000 ordinary shares was granted to a senior employee and this option is exercisable from 24 November 2011 at £1.00 per share subject to an agreed performance criteria. This option is now exercisable at any time until 23 November 2018.

On 26 March 2009 an MVO over 200,000 ordinary shares was granted to a senior employee and this option is exercisable from 26 March 2012 at 76 pence per share subject to an agreed performance criteria, and on 25 September 2009 MVO awards over 1,200,000 ordinary shares were granted to key senior employees and these options are exercisable from 25 September 2012 at 76.9 pence per share subject to agreed performance criteria.

No awards were issued in 2014 (2013: nil).

PV Crystalox Solar PLC Share Award Bonus PLAN ("SABP")

This plan was approved by the Board in January 2014 under which awards can be made to employees, excluding the executive directors. Under the SABP conditional awards are granted for a specific number of ordinary shares which may be acquired for nil consideration. On 30 January 2014 SABP awards were granted key senior employees over 2,550,000 shares. These awards are due to vest on 31 March 2015.

29. Share-based payment plans continued

Share-based payment plans continued

PV Crystalox Solar PLC Share Incentive Plan ("SIP")

The SIP is an employee share scheme approved by HM Revenue and Customs in accordance with the provisions of Schedule 8 to the Finance Act 2000. On 26 February 2008 awards were granted to UK employees of 500 shares each over a total of 37,000 ordinary shares of 2 pence. These 37,000 ordinary shares of 2 pence each were transferred from the EBT into the SIP. The shares in the SIP were subject to the share consolidation so that each holding of 500 ordinary shares of 2 pence became a holding of 192 shares of 5.2 pence following the 5 for 13 share consolidation in 2013.

During 2014 awards over 4,608 shares vested due to employees leaving the Group as good leavers due to redundancy or retirement.

The Group recognised a total credit before tax of €181,000 (2013: €103,000) related to equity-settled share-based payment transactions during the year.

The number of share options and weighted average exercise price ("WAEP") for each of the schemes is set out as follows:

	PSP* Number	SABP* Number	EDDSP* Number	MVO Number	MVO WAEP price Pence	SIP* Number
Share grants and options outstanding at 1 January 2013	3,038,454	—	419,568	1,600,000	79.7	24,000
Share grants and options granted during the year	—	—	—	—	—	—
Share grants and options forfeited during the year	(852,723)	—	—	(200,000)	—	—
Share grants vested during the year	—	—	(173,152)	—	—	—
Impact of share consolidation						(14,784)
Options exercised during the year	—	—	—	—	—	—
Share grants and options outstanding at 31 December 2013	2,185,731	—	246,416	1,400,000	79.7	9,216
Exercisable at 31 December 2013	—	—	—	1,400,000	79.7	—
Share grants and options granted during the year	—	2,550,000	—	—	—	—
Share grants and options forfeited during the year	(2,185,731)	—	—	—	—	—
Share grants vested during the year	—	—	(246,416)	—	—	(4,608)
Options exercised during the year	—	—	—	—	—	—
Share grants and options outstanding at 31 December 2014	**—**	**2,550,000**	**—**	**1,400,000**	**79.7**	**4,608**
Exercisable at 31 December 2014	**—**	**—**	**—**	**1,400,000**	**79.7**	**—**

* The weighted average exercise price for the PSP, SABP, PSA and SIP options is £nil.

No share options were exercised during the year and no options were exercised in 2013.

30. Risk management

The main risks arising from the Group's financial instruments are credit risk, exchange rate fluctuation risks, interest rate risk, liquidity risk and commodity price risk. The Board reviews and determines policies for managing each of these risks and they are, as such, summarised below. These policies have been consistently applied throughout the period.

Credit risk

The main credit risk arises from accounts receivable. All trade receivables are of a short-term nature, with maximum payment terms of 60 days, although the majority of customers currently have payment terms of 45 days. In order to manage credit risk, local management defines limits for customers based on a combination of payment history and customer reputation. Credit limits are reviewed by local management on a regular basis. As a supplier to some of the leading manufacturers of solar cells, the Group has a limited number of customers. In 2014 41.5% of the Group's sales are related to the largest customer (2013: 23.5%). The number of customers accounting for approximately 95% of the annual revenue was seven, which was down from twelve in 2012. Where appropriate, the Group requests payment or part payment in advance of shipment, which generally covers the cost of the goods. Different forms of retention of title are used for security depending on local restrictions prevalent on the respective markets. The maximum credit risk to the Group is the total of accounts receivable, details of which can be seen in note 11.

Cash is not considered to be a high credit risk due to all funds being immediately available, consideration being given to the institution in which it is deposited and the setting of counterparty limits. All institutions used have a minimum Moody's credit rating of Ba3.

Exchange rate fluctuation risks

In the financial year 2014, 93% of sales revenue was invoiced in US Dollars potentially exposing the Group to exchange rate risks.

Significant cash funds are denominated in currencies other than the presentational currency of the Group. Excess cash funds not needed for local sourcing are exposed to exchange rate and associated interest fluctuation risks, particularly so in the United Kingdom. The exchange rate risk is based on assets held in currencies other than Euros.

The spot prices of wafers and polysilicon are quoted in US Dollars and this influences the price the Group can obtain. The Group sells its products in a number of currencies (mainly US Dollars, Euros and Japanese Yen) and also purchases goods and services in a number of currencies (mainly Euros, Japanese Yen, Sterling and to a small extent US Dollars).

30. Risk management continued

Exchange rate fluctuation risks continued

The following exchange rates were used to translate individual companies' financial information into the Group's presentational currency:

	Average rate	Year end rate
Euro: Japanese Yen	140.43	145.81
Euro: US Dollar	1.329	1.2155
Sterling: Euro	1.2409	1.2780

Hedging strategy

The Group sells to customers in the worldwide photovoltaic market and sells in two main currencies: US Dollars (93%) and Euros (7%). It operates its wafering factory within the Eurozone and pays for the sub-contracting of wafer production in Japan in Japanese Yen. However, the ingot manufacturing operation is within the United Kingdom and therefore a relatively small proportion of overall costs are in Sterling, being mainly related to personnel costs, overheads and utilities (most of the raw materials are purchased in Euros and Japanese Yen).

During 2014 the net gain on foreign currency adjustments was €9.0 million (2013: €3.1 million). This gain was mainly related to the revaluation of balance sheet provisions (in particular the onerous contract provision, the conversion of currency balances in respect of Group advances or loans, currency debtor/creditor balances, currency advance payments to raw material suppliers and currency cash balances). These can be broken down into the following broad categories:

	2014 €'million	2013 €'million
Revaluation of cash balances	**(0.1)**	(1.0)
Revaluation of Group loans/intercompany account	**(0.1)**	0.5
Revaluation of Group raw material deposits	**(1.3)**	(0.7)
Accounts receivable/accounts payable revaluation	**0.2**	0.1
Revaluation of balance sheet provisions	**10.3**	4.2
Total currency gain	**9.0**	3.1

In addition to the above, upon translation of net assets in the consolidation, there was a positive impact in 2014 of €2.5 million (2013: negative €5.0 million) recording as a currency translation adjustment which is shown in the Consolidated Statement of Comprehensive Income as "other comprehensive income".

Interest rate risk

The Group has limited exposure to interest rate fluctuation risks, since the Group does not have any borrowings. The Group has borrowing facilities in Japan which are available to be drawn. These borrowing facilities when drawn are subject to variable interest rates. All variable interest rate loans are of a short-term nature with a maturity of less than twelve months. The Group had no borrowings at the end of 2014 but did have borrowings in Japanese Yen of €0.7 million at the end of 2013. Accordingly, there is technically a downside risk that Japanese Yen interest rates may increase substantially from the current relatively low levels, although the current lack of borrowings means that this risk equates to an insignificant amount.

On 31 December 2014 there were no Group borrowings in Japanese Yen (2013: €0.7 million at an interest rate of approximately 0.95%). For each 1% rise in the Japanese Yen interest rates Group interest costs would remain unchanged but based on the 2013 borrowing levels would increase by €7,000.

Further sensitivity analysis of the accruals and loans outstanding at the year end has not been disclosed as these are virtually all current and paid in line with standard payment terms.

The Group had a cash balance at the end of 2014 of €24.6 million (2013: €39.9 million) and places these cash funds on deposit with various quality banks subject to a counterparty limit of €15 million. Accordingly, there is an interest rate risk in respect of interest receivable which amounted to €0.1 million in the year (2013: €0.8 million). The Group is cash positive and current interest rates are low. The risk of interest rates falling is considered small and in any case would have a small impact on the Group's income statement and cash flows. Group management considers that in the medium term it is more likely that interest rates might rise. The impact of interest rate rises would positively impact the Group's profits and cash flow.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its exposure to liquidity risk by regularly reviewing net debt and forecast cash flows to ensure that current cash resources are available to meet its business objectives. The Group is exposed to the worldwide photovoltaic market where wafer prices have remained below industry production costs for several years. Accordingly, the market pricing of the Group's main product (silicon wafers) has been under pressure. Against this difficult market background, Group management introduced a cash conservation strategy in 2011. This cash conservation plan has been maintained, so that the Group can optimise its cash position whilst these conditions persist. Various measures have been taken to adjust production to levels appropriate to current market conditions. At the same time production capacity has been maintained so that this can be utilised when market conditions allow. The next phase of the cash conservation plan covers the period until 31 December 2015. Due to changing market and economic conditions, the expenses and liabilities actually arising in the future may differ materially from the estimates made in this plan.

On 31 December 2014 the Group had a net cash balance of €24.6 million (2013: €39.2 million) and this together with cash flow projections from the cash conservation plan indicate, assuming the projections are broadly correct, that the Group will have adequate cash reserves until at least twelve months beyond the signing of the accounts.

The Group also regularly monitors its compliance with its debt covenants. During the financial year, all covenants have been complied with. The Group has borrowing facilities in Japanese Yen which are available to be drawn.

30. Risk management continued

Commodity price risk

The main raw material used in the production of multicrystalline silicon wafers is polysilicon feedstock which the Group obtains through two long-term contracts, There is a commodity price risk that an increase in the market price of the polysilicon will adversely affect the cost of producing wafers. The Group has historically managed this risk by having long-term contracts with polysilicon producers which guarantee both the supply of polysilicon and price of that polysilicon.

At present the pricing in the contracts is significantly above current market levels. The Group manages this by obtaining flexibility in terms of price, volume and timing of deliveries by negotiating amendments to the terms of our long-term contracts with our suppliers. Where we have excess polysilicon we look to trade the excess volumes.

Financial assets and liabilities

	Book value €'000	Loan and receivables €'000	Amortised cost €'000	Non-financial €'000	Total €'000
2014					
Assets:					
Cash and cash equivalents	24,592	24,592	—	—	24,592
Accounts receivable	5,341	5,341	—	—	5,341
Prepaid expenses and other assets	12,380	54	—	12,326	12,380
Non-financial assets	36,464	—	—	36,464	36,464
Total	**78,777**	**29,987**	**—**	**48,790**	**78,777**
Liabilities:					
Loans payable short-term	—	—	—	—	—
Accounts payable trade	(1,762)	—	(1,762)	—	(1,762)
Accrued expenses	(1,675)	—	(1,675)	—	(1,675)
Provisions	(15,596)	—	—	(15,596)	(15,596)
Miscellaneous current liabilities	(72)	—	—	(72)	(72)
Miscellaneous long-term liabilities	(236)	—	(236)	—	(236)
Non-financial liabilities	(3,502)	—	—	(3,502)	(3,502)
Total	**(22,843)**	**—**	**(3,673)**	**(19,170)**	**(22,843)**
2013					
Assets:					
Cash and cash equivalents	39,900	39,900	—	—	39,900
Accounts receivable	13,473	13,473	—	—	13,473
Prepaid expenses and other assets	11,504	51	—	11,453	11,504
Non-financial assets	30,208	—	—	30,208	30,208
Total	95,085	53,424	—	41,661	95,085
Liabilities:					
Loans payable short-term	(690)	—	(690)	—	(690)
Accounts payable trade	(2,827)	—	(2,827)	—	(2,827)
Accrued expenses	(2,835)	—	(2,835)	—	(2,835)
Provisions	(26,563)	—	—	(26,563)	(26,563)
Miscellaneous current liabilities	(50)	—	—	(50)	(50)
Miscellaneous long-term liabilities	(43)	—	(43)	—	(43)
Non-financial liabilities	(3,693)	—	—	(3,693)	(3,693)
Total	(36,701)	—	(6,395)	(30,306)	(36,701)

30. Risk management continued

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and other stakeholders and to maintain an optimal capital structure that strikes the appropriate balance between risk and the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group from time to time uses debt as a natural hedging instrument, where amounts are borrowed in the same foreign currency as it holds assets (for instance debtors) denominated in the same foreign currency. However, these borrowings have always been lower than the balance of cash and cash equivalents in any period. Accordingly, the Group has maintained a net cash positive position. This is a different approach to others in the photovoltaic industry where being heavily indebted (particularly in China) has become the norm. The directors believe that the Group's policy of not carrying any net debt has significantly reduced the Group's risk, which has been particularly important during the current extremely difficult market conditions.

The Group defines capital as all elements of equity.

The Group's capital (plus its cash and cash equivalents) is set out in the following table. The Group is not subject to any externally imposed capital requirements.

	2014 €'000	2013 €'000
Cash and cash equivalents (see note 10)	**24,592**	39,900
Bank and other borrowings (see note 19)	**—**	(690)
Total net cash	**24,592**	39,210
Total equity	**55,934**	58,384

The Group is net cash positive and therefore does not have any gearing. Accordingly, the leverage ratio has no meaning and has not been calculated.

31. Calculation of fair value

There are no publicly traded financial instruments (e.g. publicly traded derivatives and securities held for trading and available-for-sale securities) nor any other financial instruments held at fair value.

32. Contingent liabilities

The Group did not assume any contingent liabilities for third parties. No material litigation or risks from violation of third parties' rights or laws are pending at the time of approval of these financial statements.

33. Other financial obligations

Lease agreements (operating leases)

The leases primarily relate to rented buildings and have terms of no more than ten years. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 December	
	2014 €'000	2013 €'000
Less than one year	**1,056**	1,428
Two to five years	**2,855**	2,105
Longer than five years	**556**	1,033
	4,467	4,566

The Group also leases buildings under cancellable operating lease arrangements. The Group is required to give a six-month notice for the termination of these agreements. The lease expenditure charged to the income statement during the year is disclosed in note 5.

There were no significant purchase commitments at the year end.

34. Related party disclosures

Related parties as defined by IAS 24 comprise the senior executives of the Group and also companies that these persons could have a material influence on as related parties as well as other Group companies. During the reporting year, none of the shareholders had control over or a material influence in the parent company.

Transactions between the Company and its subsidiaries have been eliminated on consolidation.

As part of a settlement with the administrators of a previous customer, Iain Dorrity is one of three directors of a subsequently formed SPV.

The remuneration of the directors, who are the key management personnel of the Group, is set out in the audited part of the directors' remuneration report on pages 19 to 27.

35. Dividends and return of cash

In December 2013 a return of cash was made to all shareholders of 7.25 pence per share by way of a B and C share scheme, which gave shareholders (other than certain overseas subsidiaries) a choice between receiving the cash in the form of income or capital. The return of cash was accompanied by a 5 for 13 share consolidation to maintain broad comparability of the share price and return per share of the ordinary shares before and after the creation of the B and C shares. The return of cash was approved by shareholders on 19 November 2013.

Shareholder return	2014 €'000	2013 €'000
Income option (C share)	—	11,189
Capital option (B share)	—	25,096
Total shareholder return	—	36,285

No other dividends were paid in 2014 (2013: €nil).

36. Discontinued operations

Analysis of the result of discontinued operations and the result recognised on the remeasurement of assets is as follows:

	As at 31 December	
	2014 €'000	2013 €'000
Revenue	—	316
Expenses	—	(2,169)
Loss before tax of discontinued operations	—	(1,853)
Tax	—	(2)
Loss after tax of discontinued operations	—	(1,855)
Pre-tax loss recognised on the remeasurement of assets of disposal group	—	(722)
Tax	—	—
After tax loss recognised on the remeasurement of assets of disposal group	—	(722)
Loss for the year from discontinued operations	—	(2,577)

Cash flows relating to the discontinued operations were as follows:

	As at 31 December	
	2014 €'000	2013 €'000
Operating cash flows	—	(3,489)
Investing cash flows	—	(12,261)
	—	(15,750)

37. Post balance sheet events

There are no significant post balance sheet events.

Report on the Company financial statements

Our opinion

In our opinion, PV Crystalox Solar PLC's Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014;
- 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

PV Crystalox Solar PLC's financial statements comprise:

- the Company Balance Sheet as at 31 December 2014; and
- the summary of accounting policies and notes to the Company financial statements, which includes other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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).

Other required reporting

Consistency of other information

Companies Act 2006 opinion

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.

ISAs (UK & Ireland) reporting

The directors have chosen to voluntarily comply with the UK Corporate Governance Code ("the Code") as if the Company were a premium listed company. Under International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 32, 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 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 Annual Report 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.

Other matter

We have reported separately on the Group financial statements of PV Crystalox Solar PLC for the year ended 31 December 2014.

Sam Taylor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
18 March 2015

Basis of accounting
The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. These policies have been applied consistently to all the years presented unless otherwise stated.

Profit and losses of the parent company
The Company has taken advantage of Section 408 of the Companies Act 2006 excluding it from presenting a company only statement of profit and loss and related notes.

Cash flow statement
The Company has taken advantage of the exemption from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the PV Crystalox Solar PLC Group accounts.

Employment Benefit Trust ("EBT")
All assets and liabilities of the EBT have been included in these financial statements as the Company has de facto control over the trust's net assets as its sponsoring company.

Fixed Asset Investments
Fixed asset investments are included at cost and reviewed annually for impairment. Consistent with their assessment for note 8 of the Notes to the Consolidated Financial Statements, the directors consider the Group to form one income-generating unit. Therefore, the impairment assessment is performed for whole investment balance rather than individually.

Financial instruments – classification as equity or financial liability
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit or loss. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Share-based payment
The Company issues equity-settled share-based payments to certain employees of the Group. These are measured at their fair value at the date of the grant using an appropriate option pricing model and are expensed over the vesting year, based on the estimate of the number of shares that will eventually vest. The share options granted are subject to performance criteria required for the option to vest and are considered in the method of measuring fair value.

Charges made to the profit and loss account in respect of share-based payments are credited to the share-based payment reserve. Costs incurred by the issue of equity-settled share-based awards to the employees of subsidiaries are recharged to the relevant company.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies during the year are recorded at the foreign exchange rate ruling at the date appropriate for the transaction.

Cash and cash equivalents
The Company holds all its cash in instant access bank accounts and has no other cash equivalents.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	1	**55,699**	61,559
Current assets			
Debtors	2	**8,085**	2,228
Cash at bank and in hand		**780**	1,118
Creditors: amounts falling due within one year	4	**(441)**	(267)
Net current assets		**8,424**	3,079
Total assets less current liabilities		**64,123**	64,638
Capital and reserves			
Called up equity share capital	6	**8,335**	8,335
Share premium account	7	**30,353**	30,353
Other reserves	7	**20,896**	20,896
Investment in own shares	7	**(489)**	(5,476)
Share-based payment reserve	7	**613**	1,055
Profit and loss account	7	**4,415**	9,475
Total shareholders' funds	7	**64,123**	64,638

The financial statements were approved and authorised for issue by the Board of directors on 18 March 2015 and signed on its behalf by:

Iain Dorrity
Chief Executive Officer

Company number
06019466

1. Investments

Shares in subsidiary undertakings

	£'000
Cost and net book value	
At 1 January 2014	61,559
Impairment	(5,860)
At 31 December 2014	**55,699**

Impairment in the year relates to a reduction in the underlying net assets of the investment in PV Crystalox Solar KK following its payment of a dividend to the Company of £5.86 million during the year.

At 31 December 2014 the Company held 100% of the allotted ordinary share capital of the following undertakings:

Subsidiary	Country of incorporation	Activity	Proportion held %
Crystalox Solar Limited	UK	Holding company	100
Crystalox Limited	UK	Trading company	100*
PV Crystalox Solar KK	Japan	Trading company	100*
PV Crystalox Solar Silicon GmbH	Germany	Trading company	100

* Held indirectly through Crystalox Solar Ltd.

These subsidiaries are consolidated in the Group financial statements included in this document.

The directors believe that the carrying value of the investments is supported by their net realisable value.

2. Debtors

	2014 £'000	2013 £'000
Amounts owed by Group undertakings	**7,256**	1,435
Other debtors	**792**	789
Prepayments and accrued income	**37**	4
	8,085	2,228

Amounts owed by Group undertakings are unsecured at varying rates of interest and are repayable on demand.

3. Investment in own shares

Employee Benefit Trust

The Company established the EBT, a Jersey-based employee benefit trust, on 18 January 2007, which has acquired, and may in the future acquire, the Company's ordinary shares for the benefit of the Group's employees. Shares from the EBT are used to settle awards made under the share-based payment plans as described in note 8.

Shares held by the EBT	**2014 Number**	2013 Number
Opening balance	**4,100,326**	10,834,000
Vesting of shares granted in 2009	**—**	(61,145)
Vesting of shares granted in 2010	**(246,416)**	(112,007)
Subtotal	**3,853,910**	10,660,848
Share consolidation 5 new ordinary shares of 5.2 pence for 13 old ordinary shares of 2.0 pence	**—**	(6,560,522)
Closing balance number of shares at 5.2 pence (2013: 5.2 pence)	**3,853,910**	4,100,326

At 31 December 2014, 3,853,910 ordinary shares of 5.2 pence were held by the EBT (2013: 4,100,326 ordinary shares of 5.2 pence). The market value of these shares was £0.501 million (2013: £0.595 million). Additionally, the EBT holds cash including the received cash in December 2013 following its election for B shares in the return of cash to shareholders. The cash balance held by the EBT on 31 December 2014 was £0.794 million (2013: £0.790 million).

4. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Accruals and deferred income	**441**	267

5. Related party transactions

The Company has taken advantage of the FRS 8 exemption to not disclose transactions with other wholly owned members of its Group.

Transactions with key management personnel are disclosed in the Group accounts.

6. Called up share capital

Ordinary shares of 5.2 pence each (2013: 5.2 pence).

	2014 Shares	2014 £'000	2013 Shares	2013 £'000
Allotted, called up and fully paid				
At 1 January	**160,278,975**	**8,335**	416,725,335	8,335
Share consolidation (Group note 35)	**—**	**—**	(256,446,360)	—
At 31 December	**160,278,975**	**8,335**	160,278,975	8,335

7. Reconciliation of movements in shareholders' funds

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Shares held by the EBT £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total shareholder funds £'000
As at 1 January 2013	8,335	51,249	—	(6,350)	950	20,415	74,599
Shareholder return	—	—	—	—	—	(30,213)	(30,213)
Issue and redemption of B shares	—	(20,896)	20,896	—	—	—	—
Share-based payment charge	—	—	—	—	105	—	105
Award of shares	—	—	—	101	—	—	101
B share capital in shares for the EBT	—	—	—	773	—	—	773
Transactions with owners	—	(20,896)	20,896	874	105	(30,213)	(29,234)
Profit for the year	—	—	—	—	—	19,273	19,273
Total comprehensive income	—	—	—	—	—	19,273	19,273
As at 31 December 2013	8,335	30,353	20,896	(5,476)	1,055	9,475	64,638
As at 1 January 2014	8,335	30,353	20,896	(5,476)	1,055	9,475	64,638
Share-based payment charge	—	—	—	45	(442)	145	(252)
Adjustment to share valuation in the EBT	—	—	—	4,942	—	(4,942)	—
Transactions with owners	**—**	**—**	**—**	**4,987**	**(442)**	**(4,797)**	**(252)**
Profit for the year	—	—	—	—	—	(263)	(263)
Total comprehensive income	**—**	**—**	**—**	**—**	**—**	**(263)**	**(263)**
As at 31 December 2014	**8,335**	**30,353**	**20,896**	**(489)**	**613**	**4,415**	**64,123**

Shares held by the EBT

In December 2014 the Directors agreed to write down the value of the shares held by the EBT to the market value at 31 December 2014. The share price was 13 pence per ordinary share of 5.2 pence each. This adjustment alters the value of the shares held by the EBT and reduces retained earnings by £4.942 million.

8. Share-based payment plans

In December 2013 a return of cash was made to all and was accompanied by a 5 for 13 share consolidation to maintain broad comparability of the share price. As a result the Board has agreed not to alter outstanding awards as a result of the share consolidation. Thus outstanding awards which were previously based on ordinary shares of 2 pence each are now the same number of ordinary shares of 5.2 pence each.

Share-based payment plans

The Group established the PV Crystalox Solar PLC EBT on 18 January 2007, which has acquired, and may in the future acquire, the Company's ordinary shares for the benefit of the Group's employees.

The Group currently has four share incentive plans in operation which are satisfied by grants from the EBT.

PV Crystalox Solar PLC Performance Share Plan ("PSP")

This plan was approved by shareholders at the 2011 AGM under which awards are made to employees, including executive directors, consisting of a conditional right to receive shares in the Company. The awards will normally vest after the end of a three year performance period, to the extent that performance conditions are met as detailed in the Directors' Remuneration Report (see pages 23 to 24).

No awards were made during 2014 (2013: nil).

On 26 May 2011 awards over up to 3,038,454 ordinary shares were granted to key senior employees including the three executive directors on the Board at that time. These awards were subject to achieving growth in both total shareholder return and earnings per share in the performance period ending on 31 December 2013. In view of the failure to achieve the minimum required performance as described in the Remuneration Report on pages 20 and 21 these awards lapsed.

PV Crystalox Solar PLC Executive Directors Deferred Share Plan ("EDDSP")

At the AGM on 28 May 2009 a bonus plan (with deferred share element) for executive directors was approved by the Company's shareholders in the context of bringing the arrangements more in line with market practice and aligning executive directors' pay more closely with the interests of the Company's shareholders. Half of each bonus was to be payable in cash and the other half deferred and payable in shares under the EDDSP which vests three years after the award date. Awards of deferred shares under the EDDSP are to be satisfied on vesting by the transfer of shares from the existing PV Crystalox Solar PLC Employee Benefit Trust.

No awards were made during 2014 (2013: nil). On 24 March 2011 awards over 358,423 shares were made to executive directors, as detailed in the Directors' Remuneration Report (see page 25) the award over 246,416 shares vested in May 2014.

PV Crystalox Solar PLC Long Term Incentive Plan ("LTIP")

This is a long-term incentive scheme under which awards are made to employees consisting of the right to acquire ordinary shares for a nominal price subject to the achievement of specified performance conditions at the end of the vesting period which is not less than three years from the date of grant. Under the LTIP it is possible for awards to be granted which are designated as a Performance Share Award, a Market Value Option or a Nil Cost Option. To date Performance Share Awards and Market Value Options have been granted.

Performance Share Award ("PSA")

A PSA is a conditional award of a specified number of ordinary shares which may be acquired for nil consideration. The PSAs granted to date have all been initial awards where there is no specified performance condition. The vesting period of each award is three years from the date of grant.

No awards were issued in 2014 (2013: nil). No awards are outstanding under this scheme.

Market Value Option ("MVO")

An MVO is an option with an exercise price per share equal to the market value of a share on the date of grant. The vesting period of each award is three years from the date of grant and the award must be exercised no later than ten years following the date of grant.

On 24 November 2008 an MVO over 200,000 ordinary shares was granted to a senior employee and this option is exercisable from 24 November 2011 at £1.00 per share subject to an agreed performance criteria. This option is now exercisable at any time until 23 November 2018.

On 26 March 2009 an MVO over 200,000 ordinary shares was granted to a senior employee and this option is exercisable from 26 March 2012 at 76 pence per share subject to an agreed performance criteria, and on 25 September 2009 MVO awards over 1,200,000 ordinary shares were granted to key senior employees and these options are exercisable from 25 September 2012 at 76.9 pence per share subject to agreed performance criteria.

No awards were issued in 2014 (2013: nil).

PV Crystalox Solar PLC Share Award Bonus PLAN ("SABP")

This plan was approved by the Board in January 2014 under which awards can be made to employees, excluding the executive directors. Under the SABP conditional awards are granted for a specific number of ordinary shares which may be acquired for nil consideration. On 30 January 2014 SABP awards were granted key senior employees over 2,550,000 shares. These awards are due to vest on 31 March 2015.

8. Share-based payment plans continued

Share-based payment plans continued

PV Crystalox Solar PLC Share Incentive Plan ("SIP")

The SIP is an employee share scheme approved by HM Revenue and Customs in accordance with the provisions of Schedule 8 to the Finance Act 2000. On 26 February 2008 awards were granted to UK employees of 500 shares each over a total of 37,000 ordinary shares of 2 pence. These 37,000 ordinary shares of 2 pence each were transferred from the EBT into the SIP. The shares in the SIP were subject to the share consolidation so that each holding of 500 ordinary shares of 2 pence became a holding of 192 shares of 5.2 pence following the 5 for 13 share consolidation in 2013.

During 2014 awards over 4,608 shares vested due to employees leaving the Group as good leavers due to redundancy or retirement.

The Group recognised total credit before tax of £442,000 (2013: expense of £105,000) related to equity-settled share-based payment transactions during the year.

The number of share options and weighted average exercise price ("WAEP") for each of the schemes is set out as follows:

	PSP* Number	SABP* Number	EDDSP* Number	MVO Number	MVO WAEP price Pence	SIP* Number
Share grants and options outstanding at 1 January 2013	3,038,454	—	419,568	1,600,000	79.7	24,000
Share grants and options granted during the year	—	—	—	—	—	—
Share grants and options forfeited during the year	(852,723)	—	—	(200,000)	—	—
Share grants vested during the year	—	—	(173,152)	—	—	—
Impact of share consolidation						(14,784)
Options exercised during the year	—	—	—	—	—	—
Share grants and options outstanding at 31 December 2013	2,185,731	—	246,416	1,400,000	79.7	9,216
Exercisable at 31 December 2013	—	—	—	1,400,000	79.7	—
Share grants and options granted during the year	—	2,550,000	—	—	—	—
Share grants and options forfeited during the year	(2,185,731)	—	—	—	—	—
Share grants vested during the year	—	—	(246,416)	—	—	(4,608)
Options exercised during the year	—	—	—	—	—	—
Share grants and options outstanding at 31 December 2014	**—**	**2,550,000**	**—**	**1,400,000**	**79.7**	**4,608**
Exercisable at 31 December 2014	**—**	**—**	**—**	**1,400,000**	**79.7**	**—**

* The weighted average exercise price for the PSP, SABP, PSA and SIP options is £nil.

No share options were exercised during the year and no options were exercised in 2013.

9. Auditors' remuneration

	2014 £'000	2013 £'000
Audit fee in respect of the separate financial statements of the Company	**7**	12

The disclosure of fees payable to the auditors and their associates for other (non-audit) services has not been made because the Company's consolidated accounts are required to disclose such fees on a consolidated basis.

10. Dividends paid/shareholder return

In December 2013 a return of cash was made to all shareholders of 7.25 pence per share by way of a B and C share scheme, which gave shareholders (other than certain overseas subsidiaries) a choice between receiving the cash in the form of income or capital. The return of cash was accompanied by a 5 for 13 share consolidation to maintain broad comparability of the share price and return per share of the ordinary shares before and after the creation of the B and C shares. The return of cash was approved by shareholders on 19 November 2013.

Shareholder return	**2014 £'million**	2013 £'million
Income option (C share)	**—**	9,317
Capital option (B Share)	**—**	20,896
Total shareholder return	**—**	30,213

No dividends were paid in 2014 (2013: £nil).

11. Dividends received

Dividends were received in 2014 of £5.9 million from PV Crystalox Solar KK (2013: £nil).

No dividends were received in 2014 from PV Crystalox Solar GmbH (2013: £21.2 million).

12. Capital commitments

There were no amounts contracted for but not provided in the financial statements.

13. Post balance sheet events

There were no post balance sheet events.

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06019466

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