

**INEOS Silicas Limited**

Annual report and financial statements

Registered number 48745

31 December 2015

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## Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

### Principal activities and business review

The company is no longer trading and exists solely to maintain and account for the company's pension scheme.

On 13 October 2015, the company sold its freehold land for £1,690,000 resulting in a profit on disposal of £1,400,000.

### Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of INEOS Holdings Limited. The directors have received confirmation that INEOS Holdings Limited intends to support the company for at least one year after these financial statements are signed.

### Results

The result for the year ended 31 December 2015 was a loss for the financial year of £1,414,000 (2014: loss of £3,126,000).

### Dividends

No dividends were declared or paid in respect of the year (2014: none).

### Financial risk management

The company is funded internally by the INEOS Group and therefore has no direct exposure to liquidity or debt market risk. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Group Holdings S.A..

### Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

G Leask  
I Hogan  
J Dolan  
D Smeeton  
J Ginns  
Y Ali  
B Foster

## Directors' report for the year ended 31 December 2015 (continued)

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework (FRS 101)*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

### Small company provision

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved and signed by order of the Board



Y S Ali

Company Secretary

INEOS Silicas Limited

Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG

22 April 2016

## **Independent auditors' report to the members of INEOS Silicas Limited**

### **Report on the financial statements**

#### **Our opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the 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.

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), including FRS 101 "Reduced Disclosure Framework".

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

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Independent auditors' report to the members of INEOS Silicas Limited (continued)**

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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**

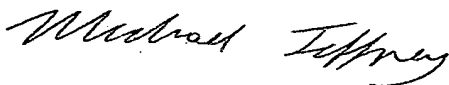
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Michael Jeffrey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
22 April 2016

**Profit and Loss Account**  
*for the year ended 31 December 2015*

	Note	2015 £000	2014 £000
Administrative expenses		(644)	(577)
Other operating income	6	2,904	517
Interest payable and similar charges	5	(3,729)	(3,681)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(1,469)</b>	<b>(3,741)</b>
Tax on loss on ordinary activities	7	55	615
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<b>(1,414)</b>	<b>(3,126)</b>
		<hr/> <hr/>	<hr/> <hr/>

All activities of the company relate to continuing operations.

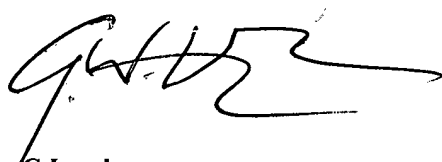
**Statement of Comprehensive Income**  
*for the year ended 31 December 2015*

	Note	2015 £000	2014 £000
<b>Loss for the financial year</b>		<b>(1,414)</b>	<b>(3,126)</b>
		<hr/>	<hr/>
<b>Other comprehensive income/(expense)</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial profit/(loss) recognised in the pension scheme	12	7,435	(9,230)
Deferred tax arising on actuarial gains/(losses) in the pension scheme	11	(1,486)	1,846
		<hr/>	<hr/>
<b>Other comprehensive income/(expense) for the year, net of income tax</b>		<b>5,949</b>	<b>(7,384)</b>
		<hr/>	<hr/>
<b>Total comprehensive income/(expense) for the year</b>		<b>4,535</b>	<b>(10,510)</b>
		<hr/> <hr/>	<hr/> <hr/>

**Balance Sheet**  
*As at 31 December 2015*

	<i>Note</i>	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	8		-		290
<b>Current assets</b>					
Debtors	9	6,360		7,775	
Cash at bank and in hand		1		-	
<b>Creditors: amounts falling due within one year</b>	10	(55,752)		(49,713)	
<b>Net current liabilities</b>			(49,391)		(41,938)
<b>Total assets less current liabilities</b>			(49,391)		(41,648)
<b>Provisions for liabilities</b>					
Post employment benefits	12		(21,523)		(33,801)
<b>Net liabilities</b>			(70,914)		(75,449)
<b>Capital and reserves</b>					
Called up share capital	14		19,005		19,005
Share premium account			3,395		3,395
Profit and loss account			(93,314)		(97,849)
<b>Total shareholders' deficit</b>			(70,914)		(75,449)

These financial statements on pages 7 to 19 were approved by the board of directors on 22 April 2016 and were signed on its behalf by:

  
**G Leask**  
Director  
Company registered number: 48745



**Statement of Changes in Equity**  
*for the year ended 31 December 2015*

	Called up Share capital £000	Share Premium Account £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 January 2014	19,005	3,395	(87,339)	(64,939)
Loss for the financial year	-	-	(3,126)	(3,126)
Other comprehensive expense	-	-	(7,384)	(7,384)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	-	(10,510)	(10,510)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	19,005	3,395	(97,849)	(75,449)
	<hr/>	<hr/>	<hr/>	<hr/>

	Called up Share capital £000	Share Premium Account £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 January 2015	19,005	3,395	(97,849)	(75,449)
Loss for the financial year	-	-	(1,414)	(1,414)
Other comprehensive income	-	-	5,949	5,949
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	4,535	4,535
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	19,005	3,395	(93,314)	(70,914)
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes (forming part of the financial statements)

### 1 Accounting policies

INEOS Silicas Limited (the “Company”) is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

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

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

- Business combinations – Business combinations that took place prior to 1 January 2013 have not been restated.
- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of INEOS Group Holdings S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently on the going concern basis, to all periods presented in these financial statements and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

## Notes (forming part of the financial statements) (continued)

### 1 Accounting policies (continued)

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

#### 1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of INEOS Holdings Limited. The directors have received confirmation that INEOS Holdings Limited intends to support the company for at least one year after these financial statements are signed.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated 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 denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

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

##### *Trade and other creditors*

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

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 1.5 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.6 Interest

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

## Notes (forming part of the financial statements) (continued)

### 1 Accounting policies (continued)

#### 1.7 Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### 1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 20 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### 1.9 Post employment benefits

##### *Defined benefit plan*

The Company's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from the defined benefit plan comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

## Notes (forming part of the financial statements) (continued)

### 2 Auditors' remuneration

The audit fee has been included in the overall audit fee for Ineos Group Holdings S.A. both in the current and prior year and is not separately recharged to the company.

### 3 Staff numbers and costs

The Company had no employees during the year (2014: nil).

### 4 Directors' remuneration

No Directors received any fees or remuneration in respect of their services as a Director of the Company during the financial year (2014: none).

### 5 Interest payable and similar charges

	2015 £000	2014 £000
Interest payable and similar charges	2,549	2,533
Net interest on net defined benefit plan assets	1,180	1,148
<b>Total interest payable and similar charges</b>	<b>3,729</b>	<b>3,681</b>

Interest payable and similar charges includes £2,549,000 (2014: £2,533,000) payable to group undertakings.

### 6 Other operating income

The company recognised a profit in the year of £2,904,000, relating to the sale of its freehold land for a profit on disposal of £1,400,000 (see note 8), and compensation from PQ of £1,504,000 for tax relief related to the sale of the company in 2008.

In 2014, the company recognised a profit of £517,000 relating to compensation from PQ of £675,000 for tax relief related to the sale of the company in 2008, reduced by a tax rebate cost from PQ Brazil of £158,000.

## Notes (forming part of the financial statements) (continued)

### 7 Tax on loss on ordinary activities

#### Recognised in the profit and loss account

	2015 £000	2015 £000	2014 £000	2014 £000
<i>UK corporation tax</i>				
Current tax on income for the year	(1,562)		(1,419)	
Adjustments in respect of prior periods	107		233	
	<hr/>		<hr/>	
Total current tax		(1,455)		(1,186)
<i>Deferred tax</i>				
Origination and reversal of temporary differences	1,770		614	
Reduction in tax rate	(109)		(43)	
Adjustment in respect of prior periods	(261)		-	
	<hr/>		<hr/>	
Total deferred tax		1,400		571
		<hr/>		<hr/>
Tax on loss on ordinary activities		(55)		(615)
		<hr/>		<hr/>

#### Reconciliation of effective tax rate

	2015 £000	2014 £000
Total tax credit	(55)	(615)
	<hr/>	<hr/>
Loss on ordinary activities before taxation	(1,469)	(3,741)
Loss on ordinary activities before taxation multiplied by the standard rate of tax in the UK of 20.25% (2014: 21.5%)	(297)	(805)
Non deductible expenses / tax exempt revenue	505	-
Reduction in tax rate on deferred tax balances	(109)	(43)
Adjustments in respect of prior periods	(154)	233
	<hr/>	<hr/>
Total tax credit	(55)	(615)
	<hr/>	<hr/>

In July 2015, the UK Corporation tax rate for periods commencing 1 April 2017 was changed from 20% to 19% and for periods from 1 April 2020 from 19% to 18%. Deferred tax balances at 31 December 2015 and 31 December 2014 are measured at the rates of 20%, 19% or 18% depending on when deferred tax timing differences are expected to be reversed.

## Notes (forming part of the financial statements) (continued)

### 8 Tangible assets

	Land and buildings £000
<b>Cost and net book value</b>	
Opening balance at 1 January 2015	290
Disposal	(290)
Closing balance 31 December 2015	<u>-</u>

On 13 October 2015, the company sold its freehold land for £1,690,000 resulting in a profit on disposal of £1,400,000.

### 9 Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	2,481	1,015
Deferred taxation (note 11)	3,874	6,760
Other	5	-
	<u>6,360</u>	<u>7,775</u>

Amounts owed by group undertakings are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

### 10 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	55,744	49,713
Other	8	-
	<u>55,752</u>	<u>49,713</u>

Amounts owed to group undertakings are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

## Notes (forming part of the financial statements) (continued)

### 11 Deferred taxation

The amounts provided for deferred taxation are set out below. The potential asset has been fully provided.

	2015 £000	2014 £000
Deferred tax asset on pension scheme liability	(3,874)	(6,760)

#### Analysis of movement in the year

	£'000
At 1 January 2015	(6,760)
Charge to the profit and loss account	1,400
Charge to the statement of total recognised gains and losses	1,486
At 31 December 2015	(3,874)

### 12 Post employment benefits

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the years shown.

	2015 £000	2014 £000
Total defined benefit asset	89,639	84,635
Total defined benefit liability	(111,162)	(118,436)
Net liability for defined benefit obligations (see following table)	(21,523)	(33,801)
Total post employment benefits	(21,523)	(33,801)



## Notes (forming part of the financial statements) (continued)

### 12 Post employment benefits (continued)

#### Movements in net defined benefit liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (liability)/asset	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Balance at 1 January	(118,436)	(103,068)	84,635	75,642	(33,801)	(27,426)
<b>Included in profit or loss</b>						
Current service cost	(453)	(313)	-	-	(453)	(313)
Past service cost	-	-	-	-	-	-
Interest (cost)/income	(4,335)	(4,587)	3,155	3,439	(1,180)	(1,148)
	<u>(123,224)</u>	<u>(107,968)</u>	<u>87,790</u>	<u>79,081</u>	<u>(35,434)</u>	<u>(28,887)</u>
<b>Included in other comprehensive income</b>						
Remeasurements (loss)/gain:						
Actuarial (loss)/gain arising from						
- Changes in demographic Assumptions	1,136	-	-	-	1,136	-
- Change in financial assumptions	3,017	(13,289)	-	-	3,017	(13,289)
- Experience adjustment	5,162	(136)	-	-	5,162	(136)
Return on plan assets excluding interest income	-	-	(1,880)	4,195	(1,880)	4,195
	<u>9,315</u>	<u>(13,425)</u>	<u>(1,880)</u>	<u>4,195</u>	<u>7,435</u>	<u>(9,230)</u>
<b>Other</b>						
Contributions paid by the employer	98	-	6,476	4,316	6,574	4,316
Member contribution	-	-	-	-	-	-
Benefits paid	2,649	2,957	(2,747)	(2,957)	(98)	-
	<u>(111,162)</u>	<u>(118,436)</u>	<u>89,639</u>	<u>84,635</u>	<u>(21,523)</u>	<u>(33,801)</u>

#### Plan assets

	2015 £000	2014 £000
Cash and cash equivalents	1,969	2,137
Equities (fund manager portfolio)	58,115	47,148
Bonds – Government & Corporate	25,488	30,883
Real estate	894	408
Other assets	3,173	4,059
<b>Total</b>	<u>89,639</u>	<u>84,635</u>

## Notes (forming part of the financial statements) (continued)

### 12 Post employment benefits (continued)

The Company operates a defined benefit pension scheme. The scheme covers employees of INEOS Silicas Limited. The scheme is managed by Trustees, who are directors of INEOS Chemicals Pension Plan which has a trust deed in favour of INEOS Silicas Limited. The scheme is now closed to new entrants and frozen to future accrual.

In accordance with FRS101, pension charges in relation to the INEOS Chemicals Pension Plan have been accounted for under IAS 19 "Revised Employee Benefits" in these financial statements. The scheme is of a defined benefit type under which benefits are based on employees' years of service and final remuneration.

#### Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages);

	2015	2014
Discount rate at 31 December	3.80%	3.70%
Rate of salary increases	-	-
Rate of price inflation	3.10%	3.10%
Rate of pension increases (in-payment)	2.90%	2.90%
Rate of Pension Increases (In Deferment)	2.00%	2.10%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 23.464 years (male), 25.785 years (female).
- Future retiree upon reaching 65: 25.126 years (male), 27.554 years (female).

#### Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting year would have increased/(decreased) as a result of a change in the respective assumptions by 1%.

	2015 £000	2014 £000
Discount rate	27,570,000	23,760,000
Inflation (RPI, CPI)	8,903,000	7,729,000

In valuing the liabilities of the pension fund at £111,162,000 (2014: £118,436,000), mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities would be £113,980,000 (2014: £121,121,000) having increased by £2,818,000 (2014: £2,685,000) before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 December 2013 and are applied to adjust the defined benefit obligation at the end of the reporting year for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

#### Funding

The company expects to contribute £5,100,000 to its closed defined benefit scheme in 2016 under a deficit reduction program.

## Notes (forming part of the financial statements) (continued)

### 13 Investments

The Company has the following investments in subsidiaries and associates :

Subsidiaries	Country of incorporation	Class of share	Ownership	
			2015	2014
INEOS Silicas Limited	England	Ordinary	100%	100%
INEOS Healthcare Holdings Limited	England	Ordinary	20%	20%
INEOS Healthcare Limited	England	Ordinary	20%	20%
INEOS Silicas Trustees Limited	England	Ordinary	100%	100%

### 14 Called up share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
19,005,001 (2014: 19,005,001) Ordinary share of £1	19,005	19,005

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

### 15 Contingencies

The Company is party to a Senior Secured Term Loans agreement dated 27 April 2012 (as amended). The total outstanding indebtedness under the Senior Secured Term Loans agreement at 31 December 2015 was €4,767.2 million (2014: €3,138.4 million). The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company.

The Company is party to the Senior Secured Notes due 2023 Indenture dated 05 May 2015. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2015 was €770.0 million (2014: €1,959.1 million). The Company is a guarantor under the Senior Secured Notes Indenture. These obligations are secured by fixed and floating charges over the assets of the Company.

The Company is party to the Senior Notes due 2018 Indenture dated 14 May 2013 (as amended) and the Senior Notes due 2019 Indenture dated 18 February 2014. The total outstanding indebtedness under the Senior Notes at 31 December 2015 was €2,261.9 million (2014: €2,142.3 million). The Company is a guarantor under the Senior Notes Indentures. These guarantees are on an unsecured senior subordinated basis.

### 16 Controlling parties

The Company is a subsidiary undertaking of INEOS Silicas Holdings Limited which is the immediate parent company incorporated in the United Kingdom. The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking INEOS AG, a company registered in Switzerland.

The largest group in which the results of the Company are consolidated is that headed by INEOS Group Holdings S.A., incorporated in Luxembourg. No other group financial statements include the results of the Company. The consolidated financial statements of INEOS Group Holdings S.A. are available to the public and may be obtained from the Company Secretary, 58, Rue Charles Martel, Luxembourg, L-2134 Luxembourg.