INEOS Silicas Limited

Annual report and financial statements

Registered number 48745

31 December 2018

Contents

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

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

Future developments
The directors do not expect any change in the company's activities during the next financial year.

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.

Results
The result for the year ended 31 December 2018 was a profit for the financial year of £78,713,000 (2017: loss of £2,039,000), this was largely due to amounts waived from loans due to group undertakings.

Dividends
No dividends were declared or paid in respect of the year (2017: 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 SA.

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

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

Directors' report for the year ended 31 December 2018 (continued)

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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
28 June 2019

Independent auditors' report to the members of INEOS Silicas Limited

Report on the audit of the financial statements

Opinion

In our opinion, INEOS Silicas Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Reporting on other information (continued)
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

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

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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: prepare financial statements in accordance with the small companies regime; 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.

Michael Jeffrey

Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
28 June 2019

Profit and Loss Account
for the year ended 31 December 2018

	Note	**2018 £000**	2017 £000
Administrative expenses		**(519)**	(464)
Other operating income	*5*	**268**	1,288
Interest receivable and similar income	*6*	**111**	-
Interest payable and similar expenses	*7*	**(3,461)**	(3,883)
Amounts waived from loans due to group undertakings	*8*	**81,500**	-
Profit/(loss) before taxation		**77,899**	(3,059)
Tax on profit/(loss)	*9*	**814**	1,020
Profit/(loss) for the financial year		**78,713**	(2,039)

All activities of the company relate to continuing operations.

Statement of Comprehensive Income
for the year ended 31 December 2018

	Note	**2018 £000**	2017 £000
Profit/(loss) for the financial year		**78,713**	(2,039)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Deferred tax arising on actuarial gains/(losses) in the pension scheme	*13*	**43**	(5,209)
Actuarial gain recognised in the pension scheme	*14*	**291**	30,643
Other comprehensive income for the year, net of income tax		**334**	25,434
Total comprehensive income for the year		**79,047**	23,395

Balance Sheet
As at 31 December 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Investments	*10*		**-**		-
Post-employment benefits	*14*		**9,195**		2,418
			9,195		2,418
Current assets					
Debtors	*11*	**7,579**		5,665	
Cash at bank and in hand		**4**		-	
Creditors: amounts falling due within one year	*12*	**(37)**		(71,449)	
Net current assets/(liabilities)			**7,546**		(65,784)
Total assets less current liabilities			**16,741**		(63,366)
Provisions for liabilities					
Deferred taxation	*13*		**(1,471)**		(411)
Net assets/(liabilities)			**15,270**		(63,777)
Capital and reserves					
Called up share capital	*15*		**19,005**		19,005
Share premium account			**3,395**		3,395
Profit and loss account			**(7,130)**		(86,177)
Total shareholders' funds/(deficit)			**15,270**		(63,777)

These financial statements on pages 8 to 21 were approved by the board of directors on 28 June 2019 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 2018

	Called up Share capital £000	Share Premium Account £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 January 2017	19,005	3,395	(109,572)	(87,172)
Loss for the financial year	-	-	(2,039)	(2,039)
Other comprehensive income	-	-	25,434	25,434
Total comprehensive income for the year	-	-	23,395	23,395
Balance at 31 December 2017	19,005	3,395	(86,177)	(63,777)

	Called up Share capital £000	**Share Premium Account £000**	**Profit and loss account £000**	**Total shareholders' funds £000**
Balance at 1 January 2018	19,005	3,395	(86,177)	(63,777)
Profit for the financial year	-	-	78,713	78,713
Other comprehensive income	-	-	334	334
Total comprehensive income for the year	-	-	79,047	79,047
Balance at 31 December 2018	**19,005**	**3,395**	**(7,130)**	**15,270**

Notes (forming part of the financial statements)

1 Accounting policies

INEOS Silicas Limited (the "Company") is a private company, limited by shares, incorporated, registered and domiciled in England, UK.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements 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;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company
- 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.

Impact of new standards and interpretations

IFRS 9 is a new accounting standard that is effective for the year ended 31 December 2018 and has an impact on the company (note 1.4). There are no other amendments to accounting standards that are effective for the year ended 31 December 2018 which have had a material impact on the company. IFRS 15 became effective in the year however, given the entity does not have any revenue, it is not relevant and as such does not apply IFRS 15.

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.

1.2 Going concern

The Directors have considered the company's projected future cash flows and working capital requirements and are confident that the company has sufficient cash flows to meet its working capital requirements for the next twelve months from the signing the financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

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, the company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade and other creditors

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

Investments

Investments in 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 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

Fees receivable by the Company's auditors and its associates in respect of services to the Company and its associates, are disclosed on a consolidated basis in the consolidated financial statements of INEOS Group Holdings S.A..

3 Staff numbers and costs

The Company had no employees during the year (2017: 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 (2017: none).

5 Other operating income

The company recognised a profit of £268,000 (2017: £1,288,000) relating to compensation from PQ for tax relief related to the sale of the company in 2008.

6 Interest receivable and similar income

	2018	2017
	£000	£000
Net interest on net defined benefit plan assets	**111**	-

7 Interest payable and similar expenses

	2018	2017
	£000	£000
Interest payable and similar expenses	**3,461**	3,068
Net interest on net defined benefit plan assets	**-**	815
	3,461	3,883

Interest payable and similar expenses includes £3,461,000 *(2017: £3,068,000)* payable to group undertakings.

8 Amounts waived from loans due to group undertakings

During the year the company received a waiver from a fellow group undertaking in respect of a loan payable. This resulted in a profit of £81,500,000 in the year.

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

9 Tax on profit/(loss)

Recognised in the profit and loss account

	2018	**2018**	2017	2017
	£000	**£000**	£000	£000
UK corporation tax				
Current tax on income for the year	**(1,917)**		(1,681)	
Adjustments in respect of prior periods	**-**		(303)	
Total current tax		**(1,917)**		(1,984)
Deferred tax				
Origination and reversal of temporary differences	**1,233**		1,092	
Reduction in tax rate	**(130)**		(128)	
Total deferred tax		**1,103**		964
Tax credit		**(814)**		(1,020)

Reconciliation of standard tax rate

	2018	2017
	£000	£000
Total tax credit	**(814)**	(1,020)
Profit/(loss) before taxation	**77,899**	(3,059)
Profit/(loss) before taxation multiplied by the standard rate of tax in the UK of 19% (2017: 19.25%)	**14,801**	(589)
Non taxable income	**(15,485)**	-
Reduction in tax rate on deferred tax balances	**(130)**	(128)
Adjustments in respect of prior periods	**-**	(303)
Total tax credit	**(814)**	(1,020)

The UK Corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017. The rate will reduce further to 17% from 1 April 2020.

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

10 Investments

The Company has the following investments in subsidiaries and associates:

Subsidiaries	Country of incorporation	Class of share	Ownership 2018	Ownership 2017
INEOS Healthcare Holdings Limited (A)	England	Ordinary	20%	20%
INEOS Healthcare Limitêd (A)	England	Ordinary	20%	20%
INEOS Silicas Trustees Limited (B)	England	Ordinary	100%	100%

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(A)	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom
(B)	Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom

11 Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	**7,579**	5,661
Other debtors	-	4
	7,579	5,665

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

12 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	-	71,407
Other creditors	**37**	42
	37	71,449

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)

13 Deferred taxation

The amounts provided for deferred taxation are set out below.

	2018	2017
	£000	£000
Deferred tax liability on pension scheme asset	**1,471**	411

Analysis of movement in the year

	£000
At 1 January 2018	**411**
Charge to the profit and loss account	**1,103**
Credit to the statement of comprehensive income	**(43)**
At 31 December 2018	**1,471**

14 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.

	2018	2017
	£000	£000
Total defined benefit asset	**129,420**	128,141
Total defined benefit liability	**(120,225)**	(125,723)
Net asset for defined benefit obligations (see following table)	**9,195**	2,418
Total post-employment benefits	**9,195**	2,418

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

14 Post-employment benefits *(continued)*

Movements in net defined benefit asset

	Defined benefit obligation		**Fair value of plan assets**		**Net defined benefit asset/(liability)**	
	2018	2017	**2018**	2017	**2018**	2017
	£000	£000	**£000**	£000	**£000**	£000
Balance at 1 January	**(125,723)**	(147,513)	**128,141**	113,617	**2,418**	(33,896)
Included in profit or loss						
Current service cost	**(203)**	(217)	**-**	-	**(203)**	(217)
Interest (cost)/income	**(3,386)**	(3,795)	**3,497**	2,980	**111**	(815)
	(129,312)	(151,525)	**131,638**	116,597	**2,326**	(34,928)
Included in other comprehensive income/(expense)						
Remeasurements gain/(loss):						
Actuarial gain/(loss) arising from						
- Changes in demographic Assumptions	**879**	6,311	**-**	-	**879**	6,311
- Change in financial assumptions	**5,078**	3,373	**-**	-	**5,078**	3,373
- Experience adjustment	**(125)**	12,313	**-**	-	**(125)**	12,313
Return on plan assets excluding interest income	**-**	-	**(5,541)**	8,646	**(5,541)**	8,646
	5,832	21,997	**(5,541)**	8,646	**291**	30,643
Other						
Contributions paid by the employer	**78**	203	**6,578**	6,703	**6,656**	6,906
Benefits paid	**3,177**	3,602	**(3,255)**	(3,805)	**(78)**	(203)
Balance at 31 December	**(120,225)**	(125,723)	**129,420**	128,141	**9,195**	2,418

Plan assets

	2018	2017
	£000	£000
Cash and cash equivalents	**4,914**	5,047
Equities (fund manager portfolio)	**4,682**	15,173
Bonds – Government & Corporate	**101,151**	90,628
Real estate	**4,186**	-
Other assets	**14,487**	17,293
Total	**129,420**	128,141

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

14 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);

	2018	2017
Discount rate at 31 December	**2.90%**	2.70%
Rate of price inflation	**3.20%**	3.20%
Rate of pension increases (in-payment)	**3.00%**	2.10%
Rate of Pension Increases (In Deferment)	**2.10%**	2.20%

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: 22 years (male), 24 years (female).
- Future retiree upon reaching 65: 23 years (male), 26 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%.

	2018	2017
	£000	£000
Discount rate	**27,329,000**	29,228,000
Inflation (RPI, CPI)	**8,380,000**	8,996,000

In valuing the liabilities of the pension fund at £120,225,000 *(2017: £125,723,000)*, 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 £124,247,000 *(2017:£* 130,011,000*)* having increased by £4,022,000 *(2017:* £4,288,000 increased*)* 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 2016 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 £6,500,000 to its closed defined benefit scheme in 2019 under a deficit reduction program.

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

15 Called up share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
19,005,001 (2017: 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.

16 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 2018 was €3,476.7 million (2017: €3,450.5 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 and the Senior Secured Notes due 2025 Indenture dated 03 November 2017. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2018 was €1,320.0 million (2017: €1,320.0 million). The Company is a guarantor under the Senior Secured Notes Indentures. These obligations are secured by fixed and floating charges over the assets of the Company. In April 2019 the Group issued €770 million Senior Secured Notes due 2026. The proceeds of the refinancing along with cash on hand were used to redeem in full the Senior Secured Notes due 2023 on 1 May 2019.

The Company is party to the Senior Notes due 2024 Indenture dated 9 August 2016. The total outstanding indebtedness under the Senior Notes at 31 December 2018 was €1,087.3 million (2017: €1,068.8 million). The Company is a guarantor under the Senior Notes Indentures. These guarantees are on an unsecured senior subordinated basis.

17 Controlling parties

As at 31 December 2018 the immediate parent undertaking was INEOS Silicas Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2018 was INEOS Limited, a company incorporated in Isle of Man. INEOS Group Holdings S.A. is the parent undertaking of the only group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings S.A. can be obtained from the Company Secretary, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg.

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 Limited.

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

18 Accounting estimates and judgements

Taxation

All the Company's operation are in the UK. Management is required to estimate the tax payable and this involves estimating the actual current tax charge or credit together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which may be included on the balance sheet of the Company. Management have performed an assessment as to the extent to which future taxable profits will allow the deferred asset to be recovered. The calculation of the Company's total tax charge necessarily involves a significant degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process.

The Company has, from time to time, contingent tax liabilities arising from trading and corporate transactions. After appropriate consideration, management makes provision for these liabilities based on the probable level of economic loss that may be incurred and which is reliably measurable.

Details of amounts recognised with regard to taxation are disclosed in Notes 9 and 13.

Post-employment benefits

The Company operates a defined benefit post-employment scheme. The plan is now closed to new entrants and frozen to future accrual. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each defined benefit scheme. The costs and year end obligations under the defined benefit scheme is determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- inflation rate projections; and
- discount rate for scheme liabilities.

Details of post-employment benefits are set out in Note 14.