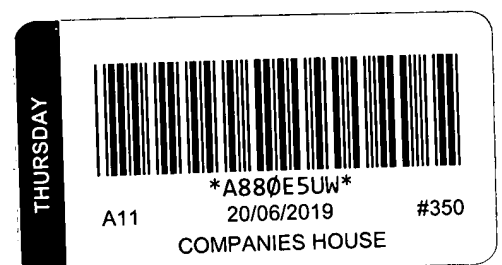


Innospec Developments Limited
Annual report and financial statements
for the year ended 31 December 2018

Registered number 3516662



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Directors and advisers for the year ended 31 December 2018

Directors

Ian Philip Cleminson
Brian Robert Watt (Company Secretary also)
Philip Andrew Curran
Graeme Kay
Keri Louise Tither

Independent auditor

KPMG LLP
One St Peter's Square
Manchester
M2 3AE

Solicitors

Mayer Brown International LLP
201 Bishopsgate
London
EC2M 3AF

Gibson Dunn & Crutcher
Telephone House
2 - 4 Temple Avenue
London
EC4Y 0HB

Bankers

Barclays Bank Plc
48B – 50 Lord Street
Liverpool
L2 1TD

Registered office

Innospec Manufacturing Park
Oil Sites Road
Ellesmere Port
Cheshire
CH65 4EY

Registered number

3516662

Strategic report for the year ended 31 December 2018

Principal activity

The principal activity of the Company during the year remained that of being an intermediate holding company, investing in group undertakings involved in the manufacture and sale of chemicals.

The entire share capital is owned by Innospec International Limited and the ultimate holding company is Innospec Inc.

Business review

The profit and loss account and other comprehensive income for the year is set out on page 9.

The Company has generated a profit in the year ended 31 December 2018. The profit for the financial year was £185,000 (2017: loss of £186,000). The change from loss to profit making arose as a result of foreign exchange gains from loans with companies within the Innospec Inc. Group of £173,000 (2017: loss of £287,000).

Activity in the year related mainly to interest and foreign exchange on intercompany balances. Both the level of business and the year end financial position were satisfactory. The directors are of the opinion that an analysis using detailed key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

The directors consider it appropriate to prepare financial statements on a going concern basis that takes into account an undertaking from the ultimate parent, Innospec Inc., to support the Company for the foreseeable future.

The Company has no external bank debt but is party to overall debt funding through other members of the Innospec Inc. group.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the group and are not managed separately. The group has an extensive risk management structure in place which is designed to identify, manage and mitigate business risk.

The principal risks and uncertainties are recorded on page 9 of the Form 10-K for the year ended 31 December 2018 of the ultimate parent company, Innospec Inc., a copy of which is available from the Company website www.innospecinc.com.

Form 10-K on pages 10 and 11 also contains details in the event of the United Kingdom (U.K.) withdrawing from the European Union (E.U.) without having agreed a future trading relationship. This would likely result in greater restrictions on imports and exports between the U.K. and E.U. member states and increased regulatory complexities for businesses trading goods and services between those jurisdictions. These restrictions and complexities may adversely impact the company's results of operations, financial position and cash flows.

Financial risk management

The Company's operations expose it to a variety of financial risks that include liquidity risk, market risk and foreign exchange risk.

Liquidity risk

The Company has no bank debt. Liquidity risk is managed at Innospec Inc. group level with a mixture of long-term and short-term debt designed to ensure that all group companies have sufficient funds available for operations.

Strategic report for the year ended 31 December 2018 (continued)

Financial risk management (continued)

Market risk

Market risk is managed at group level using derivatives, including interest rate swaps, commodity swaps and foreign currency forward exchange contracts, in the normal course of business, to manage market risks. The derivatives used in hedging activities are considered risk management tools and are not used for trading purposes. In addition, the group enters into derivative instruments with a diversified group of major financial institutions in order to manage the exposure to non-performance of such instruments. The Company does not hold any derivative instruments.

Foreign exchange risk

The primary foreign currencies in which the group has exchange rate fluctuation exposure are the European Union euro, U.S. dollar and Swiss franc. There is, to a degree, an inherent hedge in that the group has cash inflows and outflows in these currencies. Where exposures are identified the group puts in place hedging transactions between group companies, the group exposure being hedged with third party financial institutions.

By order of the board



Brian Robert Watt
Company secretary

Date: 6 June 2019

Directors' report for the year ended 31 December 2018

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

Dividends

A dividend of £3,318,000 was paid to Innospec International Limited on 21 December 2018 in respect of the year ended 31 December 2018 (2017: £nil). The profit for the year will be transferred to reserves.

Directors

The directors set out on page 1 have held office throughout the year and up to the date of signing the financial statements, with all exceptions noted.

Qualifying third party indemnity

The Company maintains liability insurance for its directors and officers. The Company has also continued to provide an indemnity for its directors and secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Political donations

During the year, no political donations were made (2017: £nil).

Disclosure of information to the auditor

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



Brian Robert Watt
Company secretary

Date: 6 June 2019

Innospec Developments Limited
Innospec Manufacturing Park
Oil Sites Road, Ellesmere Port
Cheshire, CH65 4EY

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

One St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Innospec Developments Limited

Opinion

We have audited the financial statements of Innospec Developments Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and loss account and Statement of other comprehensive income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies on pages 12 to 13.

In our opinion the 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Independent auditor's report to the members of Innospec Developments Limited (continued)

Going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and Directors' report

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Innospec Developments Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

Date: 12 June 2019

Profit and loss account and other comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Interest receivable and similar income	4	228	57
Interest payable and similar expenses	5	-	(287)
Profit/(loss) before taxation		228	(230)
Tax on profit/(loss)	6	(43)	44
Profit/(loss) and total comprehensive income/(loss) for the year		185	(186)

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

All of the activities during the year relate to continuing operations.

Balance sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments in subsidiary undertakings	7	43,975	43,975
Current assets			
Debtors	8	43	3,087
Cash at bank and in hand		8	54
		51	3,141
Creditors: amounts falling due within one year	9	(43)	-
Net current assets		8	3,141
Net assets		43,983	47,116
Capital and reserves			
Called up share capital	10	2,749	2,749
Profit and loss account		41,234	44,367
Total shareholders' funds		43,983	47,116

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

The financial statements on pages 9 to 21 were approved by the board of directors and were signed on its behalf by:



Philip Andrew Curran
Director

Date: 6 June 2019

Statement of changes in equity

	Called up share capital £'000	Profit and loss account £'000	Total £'000
As at 1 January 2017	2,749	44,553	47,302
Total comprehensive loss for the year	-	(186)	(186)
Balance as at 31 December 2017	2,749	44,367	47,116

	Called up share capital £'000	Profit and loss account £'000	Total £'000
As at 1 January 2018	2,749	44,367	47,116
Total comprehensive income for the year	-	185	185
Transactions with owners, recorded directly in equity			
Dividends paid	-	(3,318)	(3,318)
Balance as at 31 December 2018	2,749	41,234	43,983

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

Statement of accounting policies for the year ended 31 December 2018

Innospec Developments Limited ("the Company") is a private company incorporated, domiciled and registered in England and Wales in the UK.

Basis of accounting

The financial statements were prepared in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Innospec Inc., incorporated in the USA, includes the Company in its consolidated financial statements. The consolidated financial statements of the ultimate parent are prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America and are available to the public and may be obtained from the website given in note 12. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes; and
- Key management personnel compensation

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The Company is exempt by virtue of s401 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.

As the Company is a wholly owned subsidiary of Innospec Inc., incorporated in the USA, the Company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historic cost basis.

Going concern

The Company participates in Innospec Inc's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors of Innospec Inc. have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through funding from its existing facilities, to meet its liabilities as they fall due for that period.

Innospec Inc. has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors of the Company acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Statement of accounting policies for the year ended 31 December 2018 (continued)

Going concern (continued)

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or the rate of related forward exchange contracts where appropriate. All currency gains or losses are taken to the profit and loss account in the year in which they arise. The Company does not hold any forward currency contracts.

Taxation

Tax on the profit or loss for the year comprises current 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.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes to the financial statements for the year ended 31 December 2018

1 Employee and auditor remuneration

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

Audit remuneration for the years ended 31 December 2018 and 2017 has been borne by another group undertaking, Innospec Limited. The total audit fee for the companies audited in the UK was £137,000 (2017: £129,000), of which £1,000 (2017: £1,000) is allocated for the audit of the Company. The 2017 auditors' remuneration for statutory audit services relate solely to amounts paid to KPMG Audit Plc. The 2018 amounts relate solely to amounts paid to KPMG LLP.

2 Directors' emoluments

The directors received no remuneration for their services to the Company (2017: £nil).

The directors are remunerated through a group undertaking, Innospec Limited. Details of their remuneration are included within the annual report of that company.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are associated assumptions based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe that there are any accounting policies that would be likely to produce materially different results should a change be made to the underlying judgements, estimates and assumptions.

4 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest receivable from group undertakings	47	56
Interest receivable on bank deposits	8	1
Foreign exchange gains related to loans	173	-
Total interest receivable and similar income	228	57

5 Interest payable and similar expenses

	2018 £'000	2017 £'000
Foreign exchange losses related to loans	-	287
Total interest payable and similar expenses	-	287

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Tax on profit/(loss)

Total tax expense/(credit) recognised in the profit and loss account.

	2018 £'000	2017 £'000
Current tax		
Current tax on profit/(loss) for the year	43	(44)
Total tax expense/(credit)	43	(44)

The Company has no deferred taxation (2017: £nil).

Reconciliation of effective tax rate

The tax assessed for the year is consistent with (2017: consistent with) the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £'000	2017 £'000
Profit/(loss) for the year	185	(186)
Total tax expense/(credit)	43	(44)
Profit/(loss) excluding taxation	228	(230)
Tax using the UK corporation tax rate of 19.00% (2017: 19.25%)	43	(44)
Total tax expense/(credit) included in profit and loss	43	(44)

Factors that may affect future tax charges:

The UK corporation tax rate for the 12-month period to 31 December 2018 was 19%. A reduction from 19% to 17%, effective 1 April 2020, was enacted in September 2016. This will reduce the Company's future tax charge accordingly.

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Investments in subsidiary undertakings

	£'000
Cost	
At 1 January and 31 December 2018	43,975

The Company's direct and indirect subsidiary undertakings at 31 December 2018 are set out below:

Name of undertaking	Address	Class and percentage of shares held	Principal activity
Alcor Chemie Vertriebs GmbH	Zählerweg 6 CH-3600 Zug Switzerland	100	Chemical sales
AK Chemie GmbH	Amtsgericht Darmstadt Registerabteilung Großgerau 42 HRB 51028	100	Dormant
Innospec Active Chemicals Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Dormant
Innospec Chemicals Beijing Limited	Room 9-2T01-61, 9F 79 Jianguo Road Chaoyang District Beijing	100	Chemical sales
Innospec Deutschland GmbH	Thiesstraße 44645 Herne Germany	100	Chemical manufacture
Innospec Environmental Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Environmental services

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Investments in subsidiary undertakings (continued)

Name of undertaking	Address	Class and percentage of shares held	Principal activity
Innospec Finance Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Finance and treasury
Innospec France SA	17 Route de Rouen 27 950 Saint Marcel France	100	Chemical manufacture
Innospec Fuel Specialties Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Holding company
Innospec Hellas Single Person Limited	11, 11 Merachias Street Pireaus - 185 35 Greece	100	Chemical sales
Innospec Holdings Limited *	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Holding company
Innospec Leuna GmbH	Am Haupttor Bau 6310 06237 Leuna Germany	100	Chemical manufacture and sales
Innospec Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Chemical manufacture and sales

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Investments in subsidiary undertakings (continued)

Name of undertaking	Address	Class and percentage of shares held	Principal activity
Innospec Performance Chemicals Belgium BVBA	3078 Kortenbergh Everslaan 45 Belgium	100	Chemical research
Innospec Performance Chemicals Europe Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Chemical sales
Innospec Performance Chemicals France SAS	Boite Postale 19 F-55300 St. Mihiel Han-sur-Meuse Meuse France	100	Chemical manufacture
Innospec Performance Chemicals Italia srl	46043 Castiglione delle Stiviere (MN) via Cavour 50 Italy	100	Chemical manufacture
Innospec Performance Chemicals Spain SL	Poligono Zona Franca sector F calle 43 no. 10 08040 Barcelona Spain	100	Chemical manufacture
Innospec (Plant) Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY	100	Dormant
Innospec Rus OOO	Tverskaya Street 9 Building 7 Moscow 125009 Russian Federation	100	Chemical sales
Innospec Saint-Mihiel SAS	Boite Postale 19 F-55300 St. Mihiel Han-sur-Meuse Meuse	100	Chemical manufacture
Innospec Spain S.L.	c/o Bufete B. Buigas Iradier 19-21 08017 Barcelona Spain	100	Dormant

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Investments in subsidiary undertakings (continued)

Name of undertaking	Address	Class and percentage of shares held	Principal activity
Innospec Sweden AB	P. O. Box 503 651 11 Karlstad Sweden	100	Dormant
Innospec Trading Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY United Kingdom	100	Holding company
Novoktan GmbH	Parkstrasse 14727 Premnitz Brandenburg Germany	100	Dormant
OBOAdler Company Limited	Innospec Manufacturing Park Oil Sites Road Ellesmere Port Cheshire CH65 4EY	100	Holding company
Octel Dorf Ketal India Private Ltd	#1 Dorf Ketal Tower D'Monte Street Orlem Malad (west) Mumbai 400064	100	Dormant
Societa Italiana Additivi Per Carburanti S.r.l. (SIAC)	Via V. Pisani 16 20124 Milano Italy	100	Dormant

* Direct subsidiary

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	43	3,043
Corporation tax	-	44
	43	3,087

Amounts owed by group undertakings are unsecured and are repayable on demand and bear interest at rates of up to LIBOR plus 2%.

9 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Corporation tax	43	-
	43	-

10 Called up share capital

	2018 £'000	2017 £'000
Allotted, called up and fully paid		
2,749,400 (2017: 2,749,400) ordinary shares of £1 each	2,749	2,749

Notes to the financial statements for the year ended 31 December 2018 (continued)

11 Contingent liabilities

In 2018 the Company terminated the guarantee with the trustees of the Innospec Limited Pension Plan regarding the ability of Innospec Limited, a wholly-owned subsidiary, to meet its defined benefit pension obligations as they fall due. The maximum payable under the guarantee was £75.0 million.

The Company has entered into an unlimited cross-guarantee arrangement in respect of the borrowings of companies in the Innospec Inc. group. At 31 December 2018, the net debt position of the group under the unlimited cross-guarantee arrangement amounted to US\$ 87.8 million (31 December 2017: net debt of US\$ 134.1 million). This arrangement is secured by a number of fixed and floating charges over certain assets which include key operating sites of the Innospec Inc. group.

12 Ultimate parent undertaking and controlling party

The directors regard Innospec International Limited, a company registered in England, as the immediate parent undertaking.

The directors regard Innospec Inc., a company registered in the USA, as the ultimate parent undertaking and controlling party. Innospec Inc. is the parent of the smallest and largest group of undertakings into which the Company's financial statements are consolidated.

Copies of the consolidated financial statements for the ultimate parent undertaking are available from the Company website www.innospecinc.com. Innospec Inc.'s office is registered at South Valley Highway, Suite 350, Englewood, Colorado USA.