Glebe Mines Limited

Annual Report

for the year ended 31 December 2008

Registered Number 3846248

Glebe Mines Limited
Annual report
for the year ended 31 December 2008
Contents

Directors' report for the year ended 31 December 2008

The directors' presents their report and the audited financial statements for year ended 31 December 2008.

Principal activities
The principal activity of the company is the production and supply of the following industrial mineral products: acid grade fluorspar, barytes (filler / paint grade), lead concentrate and construction aggregates.

Business review
Overall production from the mill was somewhat disappointing and was ultimately restricted by crude ore supplies. The mill did however benefit from investments made in the production facility and production improved during the middle part of the year when good quality crude ore was available.

The shortage of ore is being addressed by a new planning application for an open pit operation, which is expected to come on-line towards the end of 2009 and the re-opening of the underground mine at Milldam.

The clean up of local water courses, which were contaminated in the January 2007 environmental incident, was finally completed in quarter four and it is anticipated that this work will finally be signed off by the authorities early in 2009.

Results and dividends
The company's loss before taxation for the year ended 31 December 2008 is £3,368,417 (9 months to 31 December 2007: £1,111,029). The directors' do not recommend payment of a dividend (9 months to 31 December 2007: £Nil).

Research and development
The directors' regards the investment in mine development and identifying future ore sources as integral to the continuing success of the business.

Future outlook
The new owners remain committed to securing Glebe as the principle supplier of fluorspar to INEOS Fluor Limited and as such are investing in SHE (Safety, Health and Environment) and production improvement projects as well as in securing future ore supplies.

Glebe Mines Limited

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The main risks and uncertainties are as follows:

- Future ore supplies – The company has extensive underground resources, however these require significant investment in order to exploit them for the longer term. The granting of essential planning permits elsewhere within the National Park also depend on the perceived strategic economic importance of fluorspar.
- Tailings dams/environmental performance – The safe management of the tailings dams will be a significant factor going forward in terms of maintaining a licence to operate as well as providing the outlet for plant tailings.
- Output from the mill – It has been demonstrated that the mill is capable of producing well if good quality ore is available. The main issue remains the availability of ore supplies.
- SHE performance – the overall SHE performance has improved since the company was acquired by INEOS Fluor Limited but there is still a long way to go to bring the operation up to the standards expected by the group.

Key performance indicators

The company uses a number of KPIs to monitor performance, in conjunction with the management of costs and working capital to improve profit. These KPIs are monitored on a monthly basis compared to budget:

- EBITDA – earnings before interest, tax, depreciation and amortisation, and exceptional items.
- Gross profit as a percentage of sales.
- Working capital as a percentage of sales. Working capital relates solely to stock, operating debtors and operating creditors.
- Working capital ratios – these include debtor days – indicating the average length of time it takes to receive cash from a sale; stock turn – indicating the number of times in a year that stock is turned over; and creditor days – indicating the average length of time it takes to pay cash for a purchase.
- Production – fluorspar recovery efficiency, plant reliability and total production rates per day.
- Safety Health and the Environment targets including injuries, work related ill health effects, Environmental Agency reportable incidents, loss of containment incidents.

Market value of land and buildings

The directors are of the opinion that the current open market value of the land and buildings for current use is in excess of the net book value by £1,223,000.

Directors

The directors who held office during the year were as follows:

R H Faragher (resigned 21 January 2009)
G Goodyear (appointed 25 November 2008)
G Hemmingway (appointed 3 March 2009)

Political and charitable contributions

The company made no political contributions during the year. Charitable donations amounted to £750 in the year to 31 December 2008 (9 months to 31 December 2007: £1,245). There were no donations in excess of £1,000.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company where appropriate. The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to such risk exceed any potential benefits. The company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. 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 Limited.

Statement of directors responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Going Concern

As explained on page 9 of the financial statements the directors have considered the dependence of the company on the continuation of INEOS Group's financing arrangements. Having carefully reviewed the Group's budgets and its business plans for the next twelve months, the Directors have a reasonable expectation that the Group has, or will be able to obtain, adequate resources to continue operating for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

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Statement of disclosure to auditors

Each of the persons who are directors at the date of approval of this report confirm that:

(a) there is no relevant information of which the company's auditors are unaware, and

(b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board

P Breden
Secretary
29 June 2009

Independent auditors' report to the members of Glebe Mines Limited

We have audited the financial statements of Glebe Mines Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Glebe Mines Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure given in the note headed, 'Basis of preparation – Going concern' on page 9 concerning the company's ability to continue as a going concern. The matters explained in the note headed, 'Basis of preparation' on page 9 relating to the renegotiation of the INEOS Group's banking covenants indicate the existence of a material uncertainty which may cast significant doubt about the ability of the INEOS Group and as a consequence the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as going concern.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool

29/6/09

Glebe Mines Limited

Profit and loss account for the year ended 31 December 2008

	Note	**12 months ended 31 December 2008 £**	9 months ended 31 December 2007 £
Turnover	1	**5,051,601**	5,507,534
Cost of sales		**(6,133,398)**	(5,174,094)
Gross (loss) / profit		**(1,081,797)**	333,440
Selling and distribution costs		**(356,444)**	(382,006)
Administrative expenses		**(1,771,883)**	(1,073,888)
Other operating income	3	**61,969**	85,917
Operating loss	2	**(3,148,155)**	(1,036,537)
Interest receivable and similar income	6	**14,134**	2,662
Interest payable and similar charges	7	**(234,396)**	(77,154)
Loss on ordinary activities before taxation		**(3,368,417)**	(1,111,029)
Tax on loss on ordinary activities	8	**5,129**	(29,325)
Loss for the financial year	17	**(3,363,288)**	(1,140,354)

All the above results relate to continuing operations.

There are no recognised gains or losses other than the loss above. Accordingly, a statement of total recognised gains and losses has not been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

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Balance sheet as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Intangible fixed assets	9	**109,046**	196,298
Tangible fixed assets	10	**1,653,872**	1,438,504
		1,762,918	1,634,802
Current assets			
Stocks	11	**2,027,245**	452,458
Debtors	12	**382,979**	370,377
Cash at bank and in hand		**504,225**	264,747
		2,914,449	1,087,582
Creditors: amounts falling due within one year	13	**(6,926,286)**	(1,537,037)
Net current liabilities		**(4,011,837)**	(449,455)
Total assets less current liabilities		**(2,248,919)**	1,185,347
Provisions for liabilities	14	**(630,080)**	(701,058)
Net (liabilities)/assets		**(2,878,999)**	484,289
Capital and reserves			
Called up share capital	16	**1**	1
Other reserves	17	**1,422,515**	1,422,515
Profit and loss reserves	17	**(4,301,515)**	(938,227)
Total shareholders' (deficit)/funds	18	**(2,888,999)**	484,289

The financial statements on pages 7 to 21 were approved by the Board of Directors on 29 June 2009 and were signed on behalf of the Board of Directors by:

G. Goodyear

G Goodyear
Director

Accounting policies

Accounting convention

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The accounting policies set out below have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The financial statements have been prepared on a going concern basis. The going concern assumption is based on confirmation that the company will be supported by its parent company to finance its activities for twelve months following the date of approval of these financial statements.

Basis of preparation – Going concern

The Company is part of the INEOS Group of companies whose banking facilities are included in the consolidated financial statements of Ineos Group Holdings plc. The going concern assessment of the Company is inextricably linked to the going concern assessment of the INEOS Group as the Company is reliant on funding provided by INEOS Group (see note 13). Full details of the basis of preparation of the financial statements of Ineos Group Holdings plc are set out in the financial statements of that company for the year ended 31 December 2008 which are publicly available.

A summary of the going concern assessment of Ineos Group Holdings plc is as follows:

The underlying performance of the INEOS Group in 2008 was significantly impacted by volatile raw material prices, demand slow down and some exceptional events. As a result the INEOS Group forecast that it would breach some of its financial covenants relating to its Senior Facilities Agreement for the periods ending 31 December 2008 and 31 March 2009. On 14 December 2008, the INEOS Group obtained a waiver from its senior banking syndicate of its Debt Service Cover and Interest Cover tests, together with an amendment to its Leverage test for the period ending 31 December 2008. The amended Leverage test was subsequently met. The INEOS Group also obtained an agreement to defer the testing of the Interest Cover and Leverage tests for the period ending 31 March 2009 until 31 May 2009. This deferral has recently been further extended to 17 July 2009.

The Directors of the INEOS Group have prepared a business plan for the period up to 31 December 2012 to reflect current trading conditions and incorporating future trends in line with market commentators' projections (adjusted for factors specific to the INEOS Group's businesses). The INEOS Group is in discussions with its senior banking syndicate regarding the business plan with a view to negotiating revised loan covenants. Should these negotiations prove unsuccessful, then the Group would be unable to meet its current financial covenants.

The INEOS Group Directors have concluded that pending successful agreement of revised loan covenants, there exists a material uncertainty which may cast significant doubt over the ability of the INEOS Group to continue as a going concern. Having carefully reviewed the INEOS Group's business plan and considering the uncertainties described above, the INEOS Group Directors have a reasonable expectation that the INEOS Group has adequate resources to continue operating for the foreseeable future, with the INEOS Group having a number of short term cash saving measures available to it should they be required.

The INEOS Group Directors expect that agreement will be reached with the banking syndicate by 17 July 2009 although should this not be the case, the INEOS Group Directors are confident that additional extensions can be obtained to enable sufficient time to complete negotiations.

These matters relating to INEOS Group result in a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern because of the consequential effect on the Company. However, for the reasons set out above, the Company's Directors continue to adopt the going concern basis in preparing the financial statements of the Company. These financial statements do not include the adjustments that would result if the INEOS Group and, as a consequence, the Company were unable to continue as a going concern.

Cash flow statement
The company is a wholly owned subsidiary of INEOS Fluor Limited and is ultimately consolidated within the financial statements of INEOS Limited. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996).

Turnover
Turnover represents the invoiced value of products sold or services provided to third parties net of sales discounts and value added taxes.

The pricing for products sold is determined by market prices. Revenue is recognised when the goods are shipped, when the prices are determinable and when collectability is considered probable.

Mineral extraction rights
Mineral extraction rights are amortised on a straight line basis over the period of planning consent granted for mineral extraction or, if lower, the estimated period of extraction, based on estimated reserves and rate of extraction.

Tangible fixed assets and depreciation
The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Site development costs are also capitalised and are the costs associated with the construction and enhancements of the tailings dams. Depreciation is calculated so as to write off the cost of a fixed asset on a straight line basis over its estimated useful economic life, taking into account expected residual values, using the following rates:

Freehold land and buildings	50 years
Plant and machinery	10 years
Office equipment	4 years
Motor vehicles	3 years

Site development costs included within freehold land and buildings are depreciated at rates between 7% and 25%.

Leasing and hire purchase commitments
Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as "operating leases" and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Stock valuation
Stock are stated at the lower of cost and net realisable value as determined by FIFO method. Costs comprise direct costs and appropriate production overheads.

Post retirement benefits
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged in the profit and loss account represents the contributions payable by the company to the scheme in respect of the accounting period in accordance with FRS 17.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been substantially enacted by the balance sheet date. Deferred tax assets and liabilities which have been recognised have not been discounted.

Restoration costs
Provision for restoration costs is made to reflect the costs of remedial works, as required to comply with planning consents, relating to various mining sites. The amount provided represents the expected costs of restoring sites based on survey measures carried out at the balance sheet date. The charge in the profit and loss account represents the movement on the restoration costs provision.

Notes to the financial statements for the year ended 31 December 2008

1 Turnover

All of the company's turnover originates in the United Kingdom. The company's turnover is analysed below by destination:

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
United Kingdom	**5,048,359**	5,004,429
Europe	**3,242**	503,105
	5,051,601	5,507,534

The turnover derives from the principal activity of the company, the production and supply of industrial mineral products.

2 Operating loss

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Operating loss is stated after charging:		
Amortisation of intangible assets	**87,252**	65,437
Depreciation charge		
- owned assets	**440,076**	205,286
- assets held under finance leases	**5,040**	24,382
Site restoration	**11,594**	69,482
Loss on disposal of other tangible fixed assets	**8,729**	20,177
Operating lease rentals – plant and machinery	**161,909**	141,679
Auditors remuneration – audit services	**16,000**	15,550

3 Other operating income

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Gas oil recharges	**-**	7,979
Rents and royalties	**55,622**	46,287
Insurance income	**-**	31,651
Scrap Sales	**6,347**	-
	61,969	85,917

Insurance income represents the recovery of costs incurred in coordinating clean up activities after the loss of containment of the tailings dam.

4 Directors' emoluments

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Emoluments for qualifying services	**6,455**	47,484
Company pension contributions to money purchase schemes	**-**	2,062
	6,455	49,546

No directors have benefits accruing under a money purchase scheme (31 December 2007: no directors). The emoluments of RH Faragher and G Hemingway are paid by other INEOS group companies.

5 Employee information and costs

The average monthly number of employees (including directors) during the period was:

By activity	**12 months ended 31 December 2008 Number**	9 months ended 31 December 2007 Number
Management and administration	**13**	7
Operations, mining and technical	**51**	58
	64	65

5 Employee information and costs (continued)

The aggregate payroll costs of these persons were as follows:

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Wages and salaries	**1,518,198**	1,132,442
Social security costs	**148,119**	113,534
Other pension costs (note 19)	**49,470**	37,883
	1,715,787	1,283,859

6 Interest receivable and similar income

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Interest on overdue receivable	**-**	2,662
Bank deposit interest	**13,315**	-
Exchange gains	**819**	-
	14,134	2,662

7 Interest payable and similar charges

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Bank loans and overdrafts	**-**	53,104
Loans with group undertakings	**234,396**	6,848
Hire purchase interest	**-**	17,202
	234,396	77,154

8 Taxation

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Current tax		
UK corporation tax	-	(34,142)
Adjustment for prior years	-	(2,662)
Total current tax	-	(36,804)
Deferred tax		
Origination and reversal of timing differences	-	(88,216)
Changes in tax rates	-	(6,900)
Tax losses	-	164,500
Adjustments in respect of prior years	5,129	(3,255)
Total deferred tax (see note 15)	5,129	66,129
Total tax	5,129	29,325

	12 months ended 31 December 2008 £	9 months ended 31 December 2007 £
Loss on ordinary activities before taxation	(3,368,417)	(1,111,029)
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 28% (31 December 2007: 30%)	(943,157)	(333,309)
Effects of:		
Non deductible expenses	38	21,542
Capital allowances	1	88,216
Tax losses not recognised	943,118	189,409
Adjustments to previous periods	-	(2,662)
Current tax	-	(36,804)

Deferred tax assets of £1,297,139 (2007: £355,345) have not been recognised, as based on forecast profitability they are not expected to be recoverable. These relate to tax losses of £3,762,795 (2007: £1,269,089) and accelerated capital allowances of £243,556 (2007: £nil)

9 Intangible fixed assets

	Mineral extraction rights £
Cost	
At 1 January 2008 and at 31 December 2008	**421,189**
Amortisation	
At 1 January 2008	(224,891)
Charge for the year	(87,252)
At 31 December 2008	**(312,143)**
Net book value	
At 31 December 2008	**109,046**
At 31 December 2007	196,298

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2008	823,243	1,530,122	76,622	183,526	2,613,513
Additions	-	681,355	-	-	681,355
Disposals	(5,512)	(27,088)	-	(22,917)	(55,517)
At 31 December 2008	**817,731**	**2,184,389**	**76,622**	**160,609**	**3,239,351**
Accumulated depreciation					
At 1 January 2008	(193,624)	(727,774)	(76,622)	(176,989)	(1,175,009)
Charge for the year	(226,996)	(213,080)	-	(5,040)	(445,116)
Disposals	5,165	8,061	-	21,420	34,646
At 31 December 2008	**(415,455)**	**(932,793)**	**(76,622)**	**(160,609)**	**(1,585,479)**
Net book value					
At 31 December 2008	**402,276**	**1,251,596**	**-**	**-**	**1,653,872**
At 31 December 2007	629,619	802,348	-	6,537	1,438,504

Included above are fixed assets held under hire purchase contracts and finance leases with a net book value of £Nil (9 months period ended 31 December 2007: £6,537). Depreciation for the year ended on these assets was £5,040 (9 months period ended 31 December 2007: £24,382).

11 Stocks

	2008 £	2007 £
Raw materials and consumables	**365,630**	146,884
Finished goods and goods for resale	**1,661,615**	305,574
	2,027,245	452,458

12 Debtors

	2008 £	2007 £
Trade debtors	**123,383**	243,060
Amounts owed by group undertakings	**36,804**	36,804
Corporation tax	**-**	59,346
Other debtors	**189,752**	13,042
Prepayments and accrued income	**33,040**	18,125
	382,979	370,377

13 Creditors: amounts falling due within one year

	2008 £	2007 £
Obligations under finance leases and hire purchase contracts	**-**	6,349
Trade creditors	**1,017,308**	873,159
Loan due to group undertakings	**5,368,475**	294,374
Other taxes and social security costs	**54,556**	45,418
Other creditors	**-**	18,631
Accruals and deferred income	**485,947**	299,106
	6,926,286	1,537,037

The loan due to group undertakings is denominated in sterling, interest is charged at a rate of libor plus 2.25%.

14 Provisions for liabilities and charges

	Radiation Clearance Costs £	Restoration costs £	Deferred tax £	Total £
At 1 January 2008	100,000	595,929	5,129	701,058
Charged to the profit and loss account	-	11,594	(5,129)	6,465
Utilised in the year	-	(77,443)	-	(77,443)
At 31 December 2008	**100,000**	**530,080**	-	**630,080**

The radiation clearance and restoration provisions relate to the company's liability to restore mining sites after completion of works, in accordance with the terms of planning consents. The costs are based on survey measures carried out at the balance sheet date and an estimate of costs to restore the sites at this time assuming no further mining works are to be carried out.

15 Deferred tax

	£
At 1 January 2008	(5,129)
Credit to the profit and loss account	5,129
At 31 December 2008	-

The elements of the potential deferred tax asset which has been fully provided is as follows:

	2008 £	2007 £
Deferred tax liability on accelerated capital allowances	-	(10,716)
Deferred tax liability on short term timing differences	-	5,587
	-	(5,129)

16 Share capital

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1	**1,000**	1,000
Allotted, called up and fully paid		
1 Ordinary share of £1 each	**1**	1

17 Reserves

	Other reserves £	Profit and loss account £
At 1 January 2008	1,422,515	(938,227)
Loss for the year	-	(3,363,288)
At 31 December 2008	1,422,515	(4,301,515)

The other reserve relates to a capital contribution made by INEOS Fluor Limited upon acquisition of the company.

18 Reconciliation of movements in shareholders' (deficit)/funds

	2008 £	2007 £
Loss for the financial year	**(3,363,288)**	(1,140,354)
Capital contribution	-	1,422,515
Net (reduction)/increase to shareholders' funds	**(3,363,288)**	282,161
Opening shareholders' funds	**484,289**	202,128
Closing shareholders' (deficit)/funds	**(2,878,999)**	484,289

19 Pension Costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme during the year ended 31 December 2008 were £49,470 (9 months ending 31 December 2007: £37,883). Included within the pension cost charge for the year ended 31 December 2008 is £5,493 (9 months to 31 December 2007: £5,895) which is unpaid at the balance sheet date.

20 Commitments

The company had annual commitments under non-cancellable plant and machinery operating leases as follows:

	2008	2007
	£	£
Expiry date:		
Between two and five years	**113,296**	189,683
In over five years	**171,640**	-
	284,936	189,683

21 Related party transactions

The ultimate parent company and controlling party is INEOS Limited. As 100% of the company's voting rights are controlled within the group headed by INEOS Limited, the company has not disclosed transactions with fellow subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No. 8.

22 Parent undertakings and controlling party

The director regards INEOS Fluor Limited, a company incorporated in the United Kingdom, to be the immediate parent undertaking of the company. The directors regard INEOS Limited, a company incorporated in the United Kingdom, to be the ultimate parent undertaking of the company. Copies of INEOS Limited consolidated financial statements can be obtained from the Company Secretary, INEOS Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The directors regard Mr J Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.