

INEOS Enterprises II Limited
Annual report
for the year ended 31 December 2007

Registered Number 3965021

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INEOS Enterprises II Limited
Annual report
for the year ended 31 December 2007
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INEOS Enterprises II Limited

Directors' report for the year ended 31 December 2007

The Directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activities and review of the business

The Company acts as a holding company

The Company had no income or expenditure during the year (2006 £nil) The Directors do not recommend the payment of a dividend (2006 dividend in specie paid comprising the Company's shareholding in INEOS Chlor Newco 2 Limited)

On 19 October 2007 the Company's ultimate Parent Company became INEOS Group Limited

Future outlook

At the end of the year there were no immediate plans for a change in the Company's operations

Financial risk management

The Company is not exposed to any significant financial risks

Key performance indicators ("KPIs")

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

Directors

The Directors who held office during the year were as follows

CE Tane (resigned 16 January 2007)
A Traynor (resigned 16 January 2007)
AJ Reed (resigned 16 January 2007)
MJ Maher (resigned 16 January 2007)
H Deans (appointed 16 January 2007)
GS Corsi (appointed 16 January 2007)
K Metcalfe (appointed 16 January 2007)
GB Stewart (appointed 16 January 2007)

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing 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 UK Generally Accepted Accounting Practice (United Kingdom 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

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

INEOS Enterprises II Limited

Directors' report for the year ended 31 December 2007 (continued)

Disclosure of information to Auditors

For each person who is a Director at the time of approval of this report

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

Auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. As a result of the Company passing a written resolution, there is no longer a requirement for the Auditors to be reappointed on an annual basis.

By order of the Board



P F Nichols
Secretary

6 October 2008

INEOS Enterprises II Limited

Independent Auditors' report to the members of INEOS Enterprises II Limited

We have audited the financial statements of INEOS Enterprises II Limited for the year ended 31 December 2007 which comprise the Profit and loss account, the Balance sheet, the Statement of total recognised gains and losses, the Reconciliation of movements in equity shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing 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 Directors' 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 Directors' 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 Directors 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.

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 2007 and of its result 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 Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool
6 October 2008
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INEOS Enterprises II Limited

Profit and loss account for the year ended 31 December 2007

The Company neither traded nor had any employees during the year or the previous year

Neither the Directors nor the Auditors received any remuneration from the Company during the year (2006 £nil)

Balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Fixed asset investment	1	3	3
Amounts receivable from fellow Group undertakings		199	199
Amounts payable to fellow Group undertakings		(4)	(4)
Net current assets		195	195
Total assets less current liabilities		198	198
Capital and reserves			
Called up share capital	2	100	100
Profit and loss account		98	98
Equity shareholders' funds		198	198

The financial statements on pages 4 to 7 were approved by the Board of Directors on 6 October 2008 and are signed on its behalf by



GS Corsi
Director

INEOS Enterprises II Limited

Statement of total recognised gains and losses for the year ended 31 December 2007

	2007 £	2006 £
Result for the financial year	-	-
Capital contribution received	-	103
In specie dividend paid	-	(2)
Total recognised gains and losses for the financial year	-	101

Reconciliation of movements in equity shareholders' funds

	2007 £	2006 £
Result for the financial year	-	-
Other recognised gains and losses	-	101
Net increase in equity shareholders' funds	-	101
Equity shareholders' funds at the start of the year	198	97
Equity shareholders' funds at the end of the year	198	198

INEOS Enterprises II Limited

Accounting policies

These financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards, the Companies Act 1985 and the accounting policies set out below

Group consolidation, cash flow statement and related party disclosures

The Company is a subsidiary of INEOS Group Limited and is included in the consolidated financial statements of INEOS Group Limited, which are available to the public. Consequently, the Company has taken advantage of various exemptions from reporting requirements

- Under the terms of Financial Reporting Standard 2 and in accordance with Section 228 of the Companies Act 1985, the Company is exempt from preparing Group accounts. The financial statements present information about the Company as an individual undertaking
- Under the terms of FRS 1 (revised 1996) the Company is exempt from preparing a cash flow statement
- Under the terms of Financial Reporting Standard 8 the Company is exempt from disclosing related party transactions with entities which form part of the INEOS Group Limited group

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value

Deferred taxation

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

INEOS Enterprises II Limited

Notes to the accounts

1 Fixed asset investment

	£
Cost of shares in subsidiary undertaking	
At 1 January 2007 and 31 December 2007	30,000,002
Provision against carrying value	
At 1 January 2007 and 31 December 2007	29,999,999
Net book value	
At 31 December 2006 and 31 December 2007	3

The Company's only fixed asset investment at 31 December 2007 was a 100% shareholding in INEOS Enterprises Newco 1 Limited, a dormant company incorporated in England

2 Share capital

	Authorised		Allotted, issued and fully paid	
	2007	2006	2007	2006
Equity - ordinary shares of 1p each	100,000	100,000	10,000	10,000

3 Contingent Liability

In 2003, the Company, together with other related parties, provided a guarantee to the Secretary of State for Trade and Industry in respect of a Regional Selective Assistance Grant that was made available to INEOS Chlor Limited. Under certain circumstances the Company could become liable to repay up to 50% of the amount advanced to INEOS Chlor Limited. At 31 December 2007 Grant payments of £27,200,000 (2006: £22,400,000) had been made.

4 Ultimate Parent Company and Ultimate Controlling Party

At 31 December 2007, the Company was a subsidiary undertaking of INEOS Enterprises Group Limited, a Company registered in England and Wales. The Company's ultimate Parent Company was INEOS Group Limited, a company registered in England and Wales.

The consolidated group accounts of INEOS Group Limited are available to the public and may be obtained from the Company Secretary, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The Directors regard Mr JA Ratcliffe to be the ultimate controlling party by virtue of his shareholding in INEOS Group Limited.