

# **INEOS Treasury (UK) Limited**

**Annual report and financial statements**

**Registered number 4068860**

**31 December 2017**

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## **Strategic report**

The directors present their strategic report for the year ended 31 December 2017.

### **Business overview**

The principal activity of the company is to act as a financing company for the INEOS Group of companies. There has been no change from the prior year.

### **Business review**

The results of the Company are set out in the profit and loss account on page 9 which shows a profit for the financial year of €38,800 (2016: €40,900 loss).

### **Objectives and strategy**

The directors do not expect any change in the company's activities during the next financial year as the company will continue to act as a financing company.

### **Principal risks and uncertainties**

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition factors which would cause a decline in the market. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of parent company INEOS Group Holdings SA, which does not form part of this report.

### **Key Performance Indicators**

The directors of INEOS Group Holdings S.A. manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of INEOS Treasury (UK) Limited. The development, performance and position of the group, including this company, are discussed in the group's annual report which does not form part of this report.

Approved and signed by order of the board



**Y S Ali**  
**Company Secretary**  
09 April 2018

## Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2017.

### Directors

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

G Leask  
J F Ginns

### Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in 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 funded internally by the INEOS group and therefore has no direct exposure to liquidity or debt market risk. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Group Holdings S.A..

### Future developments

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

### Dividends

The directors do not recommend the payment of an interim or final dividend (2016: nil).

### Going concern

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

### 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.

## **Directors' report (continued)**

### **Statement of directors' responsibilities (continued)**

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.

Approved and signed by order of the board



**Y S Ali**  
**Company Secretary**  
INEOS Treasury (UK) Limited  
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG  
09 April 2018

## **Independent auditors' report to the members of INEOS Treasury (UK) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, INEOS Treasury (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 2017; the Profit and Loss Account, 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**

We have nothing to report in respect of the following matters in relation to which 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.

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.

#### **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 Treasury (UK) Limited (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 Strategic report and 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.

### ***Strategic report and Directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2017 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 Strategic report and 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 pages 4 and 5, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

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

### ***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.

### **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.



Ian Marsden (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
09 April 2018



**Profit and Loss Account**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>€'000</b>	<b>2016</b> <b>€'000</b>
Interest receivable and similar income	4	<b>584.0</b>	312.6
Interest payable and similar expenses	5	<b>(536.0)</b>	(363.7)
		<hr/>	<hr/>
<b>Profit / (loss) before taxation</b>		<b>48.0</b>	(51.1)
Tax on profit / (loss)	6	<b>(9.2)</b>	10.2
		<hr/>	<hr/>
<b>Profit / (loss) for the financial year</b>		<b>38.8</b>	(40.9)
		<hr/>	<hr/>

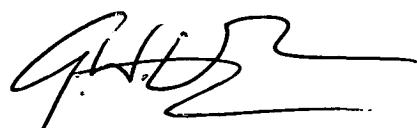
All activities of the company relate to continuing operations.

The company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

**Balance Sheet**  
*At 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>€'000</b>	<b>€'000</b>	<b>2016</b> <b>€'000</b>	<b>€'000</b>
<b>Current assets</b>					
Debtors	7	-		10.2	
Cash at bank and in hand	8	214,471.4		150,526.5	
		<u>214,471.4</u>		<u>150,536.7</u>	
<b>Creditors: amounts falling due within one year</b>	9	(215,606.6)		(151,710.7)	
		<u>(215,606.6)</u>		<u>(151,710.7)</u>	
<b>Net liabilities</b>			<u>(1,135.2)</u>		<u>(1,174.0)</u>
<b>Capital and reserves</b>					
Called up share capital	10	-		-	
Profit and loss account		(1,135.2)		(1,174.0)	
<b>Total shareholders' deficit</b>		<u>(1,135.2)</u>		<u>(1,174.0)</u>	

The financial statements on pages 9 to 17 were approved by the Board of Directors on 09 April 2018 and signed on its behalf by:



**G Leask**  
Director

Company registered number: 4068860

**Statement of Changes in Equity**  
*for the year ended 31 December 2017*

	<b>Called up Share capital €'000</b>	<b>Profit and loss account €'000</b>	<b>Total shareholders' deficit €'000</b>
Balance at 1 January 2016	-	(1,133.1)	(1,133.1)
Loss for the financial year	-	(40.9)	(40.9)
<b>Balance at 31 December 2016</b>	-	(1,174.0)	(1,174.0)

	<b>Called up Share capital €'000</b>	<b>Profit and loss account €'000</b>	<b>Total shareholders' deficit €'000</b>
Balance at 1 January 2017	-	(1,174.0)	(1,174.0)
Profit for the financial year	-	38.8	38.8
<b>Balance at 31 December 2017</b>	-	(1,135.2)	(1,135.2)

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

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

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

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

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- 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 SA 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;
- 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 to all periods presented in these financial statements.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

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

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

**Accounting policies (continued)**

**1.3 Foreign currency**

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

**1.4 Non-derivative financial instruments**

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

*Trade and other debtors*

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

*Trade and other creditors*

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

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

*Interest-bearing borrowings*

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

**1.5 Derivative financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

**1.6 Intra-group financial instruments**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

**1.7 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.

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

**Accounting policies (continued)**

**1.8 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.

**2 Auditors' remuneration**

Fees receivable by the Company's auditors and their 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 SA.

**3 Staff costs and Directors' remuneration**

The Company had no employees during the current or previous year.

Neither the directors nor the secretary received any emoluments during the current or previous year in respect of their services to the company.

**4 Interest receivable and similar income**

	2017 €'000	2016 €'000
Finance income receivable	584.0	282.0
Net foreign exchange gain	-	30.6
<b>Total interest receivable and similar income</b>	<b>584.0</b>	<b>312.6</b>

Finance income relates to cash collateral lodgements (note 8).

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

**5 Interest payable and similar expenses**

	2017 €'000	2016 €'000
Finance charges payable	418.4	363.7
Net foreign exchange loss	117.6	-
	<hr/>	<hr/>
<b>Total interest receivable and similar income</b>	<b>536.0</b>	<b>363.7</b>
	<hr/>	<hr/>

Finance charges relate to the "LC Facility" (note 8).

**6 Tax on profit/(loss)**

The tax debit recognised for the financial year of €9,200 (2016: €10,200 credit) is equal to the standard rate of corporation tax in the UK of 19.25% (2016: 20%) based on profit before taxation of €48,000 (2016: loss of €51,100).

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

**7 Debtors**

	2017 €'000	2016 €'000
Amounts owed by group undertakings	-	10.2
	<hr/>	<hr/>

Amounts owed by group undertakings are repayable upon demand.

**8 Cash at bank and in hand**

	2017 €'000	2016 €'000
Cash collateral	214,471.4	150,526.5
	<hr/>	<hr/>

On May 4, 2012, the Company entered into an on-demand letter of credit facility (the "LC Facility") with Barclays Bank PLC (the "Issuing Bank"), under which the Company may request (on its own behalf or on behalf of other Group companies) the Issuing Bank to issue letters of credit, guarantees, performance bonds and indemnities (or any other instrument in a form agreed by the Issuing Bank) ("LC Utilizations"), the outstanding aggregate base currency amount of which is not more the €300 million. Under the terms of the LC Facility, the Company undertakes to provide cash collateral in an amount at least equal to the aggregate of 100% of the maximum actual and / or contingent liability of the Issuing Bank under each outstanding LC Utilizations (or 105%, to the extent cash cover is provided in a currency other than the currency of an LC Utilization) standing to the credit of an account or certain accounts of the Company which are subject to a lien in favour of the Issuing Bank.

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

**9 Creditors: amounts falling due within one year**

	2017 €'000	2016 €'000
Amounts owed to group undertakings	213,171.1	139,432.6
Amounts owed to related parties (Note 11)	2,435.5	12,278.1
	<u>215,606.6</u>	<u>151,710.7</u>

Amounts owed are repayable upon demand.

**10 Called up share capital**

	2017 €'000	2016 €'000
<i>Allotted, called up and fully paid</i>		
1 (2016: 1) Ordinary share of £1	<u>-</u>	<u>-</u>

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

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.

**11 Related parties**

	2017 €'000	2016 €'000
<b>Payables outstanding less than 1 year</b>		
<i>Associates</i>		
INEOS Chemicals Grangemouth Limited	197.0	204.0
INEOS Commercial Services Limited	2,238.5	12,074.1
	<u>2,435.5</u>	<u>12,278.1</u>

Amounts owed to related parties are unsecured, and are repayable upon demand.



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

**12 Controlling parties**

As at 31 December 2017, the immediate parent undertaking was INEOS Investment Holdings (Germany) Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2017 was INEOS Limited, a company incorporated in Isle of Man. INEOS Group Holdings SA is the parent undertaking of the only group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings SA 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.