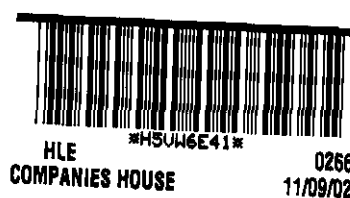


**INEOS Fluor International Limited**  
**Annual report**  
**for the period ended 31 December 2001**

**Registered Number 4110462**



# INEOS Fluor International Limited

## Annual report

for the period ended 31 December 2001

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# **INEOS Fluor International Limited**

## **Directors' report for the period ended 31 December 2001**

The directors present their report and the audited financial statements for the period ended 31 December 2001.

### **Principal activities**

The principal activity of INEOS Fluor International Limited is to act as the administration company for the European branches, account managers and service centres of the INEOS Fluor Group. The company also acts as a manufacturer of flavour and fragrance extracts.

### **Review of the business**

The company was incorporated on 20 November 2000 as Hammertiger Limited. On 15 December 2000 the name of the company was changed to INEOS Fluor International Limited.

### **Results and dividends**

The company's loss for the financial period was £10,000. The directors do not recommend payment of a dividend.

### **Directors and their interests**

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

Instant Companies Limited	(appointed 20 November 2000, resigned 14 December 2000)
AC Currie	(appointed 14 December 2000)
J Reece	(appointed 14 December 2000)
TP Crotty	(appointed 2 April 2001)
R Bell	(appointed 2 April 2001)
A Kaye	(appointed 7 December 2001)
S Barnes	(appointed 7 December 2001)
D Price	(appointed 7 December 2001)

J Ratcliffe, J Reece and A Currie are also directors of the ultimate parent company, INEOS Group Limited, and their interests in the share of that company are disclosed in that company's directors report.

R Bell and TP Crotty have an interest in the shares of the ultimate parent company, INEOS Group Limited, and their interests in the shares of that company are disclosed in the directors report of INEOS Holdings (Fluor and Silicas) Limited.

None of the other directors had a beneficial interest in the shares of the company.

### **Employees**

It is the company's practice to give full and fair consideration to applications for employment received from disabled persons, subject to the company's requirements and to the qualifications, ability and aptitude of the individual in each case.

Employees are provided with information about the company through regular briefing bulletins.

### **Political and charitable contributions**

The company made no political or charitable contributions during the period.

# INEOS Fluor International Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to 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 suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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.

## Auditors

During the period the directors appointed PricewaterhouseCoopers auditors. The auditors, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



R Bell  
Secretary

29 April 2002

# **INEOS Fluor International Limited**

## **Independent auditors' report to the members of INEOS Fluor Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the accounting policies and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

29 April 2002

# INEOS Fluor International Limited

## Profit and loss account for the period ended 31 December 2001

	Note	2001 £'000
Administration expenses		(1)
<b>Operating loss</b>	1	(1)
Interest payable and similar charges	4	(9)
<b>Loss on ordinary activities before taxation</b>		(10)
Tax on loss on ordinary activities	5	-
<b>Retained loss for the financial period</b>	12	(10)

All activities of the company relate to continuing operations.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

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

# INEOS Fluor International Limited

## Balance sheet as at 30 December 2001

	Note	2001 £'000
<b>Fixed assets</b>		
Intangible assets	6	90
		90
<b>Current assets</b>		
Debtors	7	83
Cash at bank and in hand		28
		111
<b>Creditors – Amounts falling due within one year</b>	8	(111)
<b>Net current assets</b>		-
<b>Total assets less current liabilities</b>		90
<b>Creditors – Amounts falling due after more than one year</b>	9	(100)
<b>Net liabilities</b>		(10)
<b>Capital and reserves</b>		
Called up share capital	11	-
Profit and loss account	12	(10)
<b>Total shareholders' deficit</b>		(10)

The financial statements on pages 4 to 11 were approved by the board of directors on 29 April 2002 and were signed on its behalf by:



Director

# **INEOS Fluor International Limited**

## **Accounting policies**

These financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards. 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 accounts.

### **Goodwill**

On 9 January 2001 INEOS Fluor Limited bought the Klea business from ICI Plc and created the INEOS Fluor Group. As part of this transaction INEOS Fluor International Limited acquired the European branches, account managers and service centres of ICI Klea. Goodwill arising on this acquisition has been capitalised and is amortised through the profit and loss account over a period of ten years, estimated by the directors to be the useful economic life.

### **Deferred taxation**

Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise in the foreseeable future.

### **Cashflow statement**

The company is a wholly owned subsidiary of INEOS Fluor Holdings Limited and is ultimately consolidated within the financial statements of INEOS Group Limited. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996).

### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account in the year in which they occur.



# INEOS Fluor International Limited

## Notes to the financial statements for the period ended 31 December 2001

### 1 Operating loss

	2001 £'000
<hr/>	
Operating loss is stated after charging:	
Auditors remuneration	2
Amortisation of goodwill	10
Foreign exchange (gains)/losses	-
<hr/>	

### 2 Directors' emoluments

None of the directors received any remuneration for their services provided during the period to 31 December 2001.

### 3 Staff number and costs

The average number of persons employed by the company (excluding directors) during the period was 9.

The aggregate payroll costs of these persons were as follows:

	2001 £'000
<hr/>	
Wages and salaries	91
Social security costs	21
Pension costs	9
<hr/>	
	121
<hr/>	

Certain employees salaries were paid by INEOS Fluor Limited as an interim measure during the transition from ICI to INEOS ownership.

# INEOS Fluor International Limited

## 4 Interest payable and similar charges

	2001 £'000
Loan with group undertaking	9

## 5 Taxation

There was no charge for corporation tax for the period due to the loss incurred.

## 6 Goodwill

	2001 £'000
<b>Cost</b>	
On acquisition	100
At 31 December 2001	100
<b>Amortisation</b>	
Amortisation in the period	(10)
At 31 December 2001	(10)
<b>Net book amount</b>	
Negative goodwill at 31 December 2001	90

As explained in the accounting policies set out on page 6, on 9 January 2001 the company acquired the European branches, account managers and service centres of ICI Klea with resultant goodwill of £100,000 (note 10).

## 7 Debtors

	2001 £'000
Prepayments and accrued income	83

# INEOS Fluor International Limited

## 8 Creditors – Amounts falling due within one year

	2001 £'000
Trade creditors	7
Accruals and deferred income	2
Amounts due to group undertakings	102
	111

## 9 Creditors – Amounts falling due after more than one year

	2001 £'000
Amounts due to group undertakings	100

## 10 Acquisition

On 9 January 2001, the company acquired the European branches, account managers and service centre of ICI Klea. This purchase has been accounted for under acquisition accounting.

The total adjustments required to the book values of the assets and liabilities of the ICI Klea branches, account managers and service centres to present net assets at fair values, together with the resultant amount of goodwill, are set out below:

	Book value £'000	Reduction £'000	Provisional fair value £'000
Net assets acquired	-	-	-
Goodwill			100
Consideration			100

Consideration was satisfied in full by cash.

# INEOS Fluor International Limited

## 11 Equity share capital

	2001 £
<b>Authorised</b>	
1,000 ordinary shares of £1	1,000
<b>Allotted, called up and fully paid</b>	
1 ordinary shares of £1	
<b>Total equity and non equity share capital</b>	<b>1</b>

## 12 Reserves

	Profit and loss account £'000
On incorporation	-
Retained loss for the financial period	(10)
<b>At 31 December 2001</b>	<b>(10)</b>

## 13 Reconciliation of movements in equity shareholders' deficit for the period ended 31 December 2001

	2001 £'000
On incorporation	-
Issue of ordinary shares	-
Loss for financial period	(10)
<b>Closing equity shareholders' deficit</b>	<b>(10)</b>

# **INEOS Fluor International Limited**

## **14 Contingent liabilities**

The company is party to a credit agreement (the "Senior Credit Agreement") dated 23 May 2001. The Senior Credit Agreement comprises of Term Loans ("Term Loan A", "Term Loan B" and "Term Loan C") and a revolving credit facility ("the Revolving Credit Facility"). The total outstanding indebtedness under the Senior Credit Agreement at 31 December 2001 was €740.7 million. The company is a guarantor under the Senior Credit Agreement. These obligations are secured by fixed and floating charges over the assets of the company.

## **15 Related party transactions**

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

## **16 Parent undertaking and controlling party**

The directors regard INEOS Fluor Holdings Limited, a company incorporated in the United Kingdom to be the immediate parent undertaking of the company. The directors regard INEOS Group Limited, a company incorporated in the United Kingdom to be the ultimate parent undertaking of the company. Copies of INEOS Group Limited consolidated financial statements can be obtained from the Company Secretary, INEOS Group 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 Group Limited.