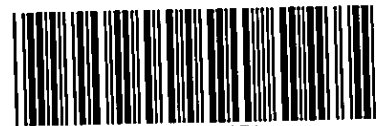


INEOS Fluor International Limited  
Annual report  
for the year ended 31 December 2012

Registered Number 4110462

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INEOS Fluor International Limited

Annual report

for the year ended 31 December 2012

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# INEOS Fluor International Limited

## Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

### Principal activities and business review

The principal activity of INEOS Fluor International Limited was to act as the administration company for the branches, account managers and service centres of the INEOS Fluor Group. These activities have now ceased following the disposal of the fluorochemicals business (part of Ineos Fluor) to Mexichem SAB de CV on 31 March 2010, although some related legacy transactions did occur during 2012.

### Results and dividends

The company's profit before taxation for the financial year was £7,000 (2011: loss of £12,000). The directors do not recommend payment of a dividend (2011: £nil).

### Key performance indicators

Disclosures related to KPIs are no longer considered to be relevant to readers of the financial statements due to the straightforward nature of the company's activities and have therefore been excluded.

### Directors

The directors who held office during the year and up to the date of this report were as follows:

A White (appointed 10 April 2012)

GS Corsi (resigned 10 April 2012)

M J Maher

G Leask

### Political and charitable contributions

The company made no political or charitable contributions during the year (2011: £nil).

### Principal risks and uncertainties

The company's operations expose it primarily to foreign exchange and interest rate risk. 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 SA. Foreign exchange losses arise from balances with other group companies, therefore this risk is mitigated at a group, rather than at a company level.

### Post balance sheet events

On 25th March 2013 Mexichem UK Limited made a claim against INEOS Fluor International Limited relating to Mexichem's purchase of the Fluor business from INEOS which completed in March 2010. At this early stage it is not possible to assess whether any economic outflow will result from the claim, and as all legal costs are being expensed as incurred no provision has been made in respect of this claim.

# INEOS Fluor International Limited

## Directors' report for the year ended 31 December 2012 (*continued*)

### Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 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.

### Statement of disclosure to auditors

Each of the persons who are directors at the date of approval of this report confirms 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 Section 418 of the Companies Act 2006.

### Independent 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.

On behalf of the Board



**MJ Maher**

Director

27 September 2013

# **INEOS Fluor International Limited**

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

We have audited the financial statements of INEOS Fluor International Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **INEOS Fluor International Limited**

## **Independent auditors' report to the members of INEOS Fluor International Limited** *(continued)*

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



**Paul Christian (Senior Statutory Auditor)**

**For and on behalf of PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

Liverpool

27 September 2013



# INEOS Fluor International Limited

## Profit and loss account for the year ended 31 December 2012

	Note	2012 £'000	2011 £ 000
Turnover	1	8	80
Cost of sales		-	(92)
<b>Gross Profit</b>		<b>8</b>	<b>(12)</b>
Administration expenses		-	-
Other operating income		-	-
<b>Operating profit/(loss)</b>	<b>2</b>	<b>8</b>	<b>(12)</b>
Interest payable and similar charges	4	(1)	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>7</b>	<b>(12)</b>
Tax on profit/(loss) on ordinary activities	5	(23)	(9)
<b>Loss for the financial year</b>	<b>10</b>	<b>(16)</b>	<b>(21)</b>

All activities of the company have ceased therefore these activities are discontinued

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 profit/(loss) on ordinary activities before taxation and the loss for the years stated above and their historical cost equivalents



# INEOS Fluor International Limited

## Balance sheet as at 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Intangible assets	6	-	-
<b>Current assets</b>			
Debtors	7	466	489
Cash at bank and in hand		37	38
		503	527
<b>Creditors - Amounts falling due within one year</b>	8	(33)	(41)
<b>Net current assets</b>		470	486
<b>Total assets less current liabilities</b>		470	486
<b>Net assets</b>		470	486
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	470	486
<b>Total equity shareholders' funds</b>	11	470	486

The financial statements on pages 5 to 13 were approved by the board of directors on 27 September 2013 and were signed on its behalf by



**MJ Maher**  
Director

**Registered Number 4110462**

# **INEOS Fluor International Limited**

## **Accounting policies**

### **Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### **Going concern**

The Directors have considered the company's projected future cash flows and working capital requirements and are confident that the company has sufficient cash flows to meet its working capital requirements for the next twelve months. Accordingly the financial statements have been prepared on the going concern basis.

### **Cash flow and related party transactions**

The company is a wholly owned subsidiary of INEOS Group Holdings SA and is included in the consolidated financial statements of INEOS Group Holdings SA. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard Number 8 from disclosing related party transactions with entities that are part of the INEOS Group Holdings SA group.

### **Turnover**

Turnover represents the invoiced value of products sold or services provided to third parties, net of sales discounts, value added taxes and duties. Turnover is recognised when the significant risks and rewards of ownership have passed to the customer or the service has been provided and it can be reliably measured.

### **Foreign currency translation**

Transactions in foreign currencies are recorded at the rate 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 period in which they occur.

### **Deferred income**

Amounts received in advance of the provision of goods or services to the customer are recorded as a liability and shown on the balance sheet as deferred income. Income is released to the profit and loss account when revenue recognition criteria has been considered to have been met.

# INEOS Fluor International Limited

## Notes to the financial statements for the year ended 31 December 2012

### 1 Turnover

All turnover (both by origin and destination) is derived from activity in the United Kingdom

### 2 Operating profit/(loss)

The audit fee has been included in the overall audit fee for INEOS Fluor Limited and is not separately recharged to the company

### 3 Directors' emoluments

None of the directors received any remuneration for their services provided during 2012 (2011 £nil)

### 4 Interest payable and similar charges

	2012 £'000	2011 £'000
Exchange losses	(1)	-
	(1)	-

### 5 Taxation on profit/(loss) on ordinary activities

#### a) Analysis of charge for the year

	2012 £'000	2011 £'000
<b>Current tax</b>		
Group relief receivable from group companies at 24.5% (2011 26.5%)		
- Current year	2	(3)
- Adjustment in respect of previous years	(6)	-
Withholding tax	27	-
Overseas taxation	-	12
<b>Total tax charge</b>	<b>23</b>	<b>9</b>

# INEOS Fluor International Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 5 Taxation on profit/(loss) on ordinary activities (continued)

#### b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The difference is explained below

	2012 £'000	2011 £'000
Profit/(loss) on ordinary activities before taxation	7	(12)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	2	(3)
Effects of		
Expenses not deductible for tax purposes	-	-
Adjustments in respect of previous years	(6)	-
Withholding tax	27	-
Overseas taxation	-	12
<b>Current tax charge for the year</b>	<b>23</b>	<b>9</b>

#### c) Factors which may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge.

# INEOS Fluor International Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 6 Intangible assets

	£'000
<b>Cost</b>	
At 31 December 2011 and 31 December 2012	100
<b>Accumulated Amortisation</b>	
At 31 December 2011 and 31 December 2012	100
<b>Net book amount</b>	
At 31 December 2012	-
At 31 December 2011	-

### 7 Debtors

	2012	2011
	£'000	£'000
Group relief receivable	466	462
Other debtors	-	27
	466	489

All debtors are due within one year

# INEOS Fluor International Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 8 Creditors – Amounts falling due within one year

	2012	2011
	£'000	£'000
Amounts due to group undertakings	3	4
Accruals and deferred income	30	37
	33	41

Amounts owed to group undertakings comprises of intercompany current accounts, which are repayable on demand and do not bear interest

### 9 Called up share capital

	2012	2011
	£	£
<b>Authorised</b>		
1,000 ordinary shares of £1	1,000	1,000
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	1	1

### 10 Reserves

	Profit and loss account
	£'000
At 1 January 2012	486
Loss for the financial year	(16)
<b>At 31 December 2012</b>	<b>470</b>

# INEOS Fluor International Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 11 Reconciliation of movements in total shareholders' funds

	2012 £'000	2011 £ 000
Loss for the financial year	(16)	(21)
Net reduction in shareholders' funds	(16)	(21)
Opening shareholders' funds	486	507
Closing shareholders' funds	470	486

### 12 Parent undertaking and controlling party

The immediate parent undertaking is INEOS Fluor Holdings Limited, a company incorporated in England and Wales. The ultimate parent company is INEOS AG, a company incorporated in Switzerland.

The smallest and largest group that consolidates the Company's financial statements is INEOS Group Holdings SA, a subsidiary of INEOS AG. The consolidated financial statements of INEOS Group Holdings SA are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG, United Kingdom.

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 AG.

# INEOS Fluor International Limited

## Notes to the financial statements for the year ended 31 December 2012

*(continued)*

### 13 Contingent liabilities

The Company is party to a Senior Secured Term Loans agreement dated 27 April 2012 (as amended). The total outstanding indebtedness under the Senior Secured Term Loans agreement at 31 December 2012 was €2,278.9 million (2011: €nil million). The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company. The Senior Facilities Agreement (2011: €3,170.0 million) was fully repaid during the year.

The Company is party to the Senior Secured Notes due 2015 Indenture dated 12 May 2010 (as amended), the Senior Secured Notes due 2019 Indenture dated 10 February 2012 (as amended) and the Senior Secured Notes due 2020 Indenture dated 4 May 2012 (as amended). The total outstanding indebtedness under the Senior Secured Notes at 31 December 2012 was €2,573.4 million (2011: €740.3 million). The Company is a guarantor under the Senior Secured Notes Indentures. These obligations are secured by fixed and floating charges over the assets of the Company. The Senior Secured Notes due 2015 were redeemed in full on 15 May 2013.

The Company is party to the Senior Notes Indenture dated 7 February 2006 (as amended). The Senior Notes comprise the €1,532.1 million 7.875% Senior Notes Due 2016 and the \$677.5 million 8.5% Senior Notes Due 2016. The total outstanding indebtedness under the Senior Notes at 31 December 2012 was €2,044.5 million (2011: €2,055.4 million). The Company is a guarantor under the Senior Notes Indenture. These guarantees are on an unsecured senior subordinated basis. The 8.5% Senior Notes Due 2016 were redeemed in full on 15 May 2013, and €500.0 million of the 7.875% Senior Notes due 2016 were redeemed in full on 5 June 2013.

In May 2013 the Group increased the size of the Senior Secured Term Loans by \$640 million and €350 million respectively and issued \$678 million and €500 million of Senior Notes due 2018. The proceeds of the refinancing were used to redeem the Senior Secured Notes due 2015 and partially redeem the Senior Notes due 2016.

### 14 Post balance sheet events

On 25th March 2013 Mexichem UK Limited made a claim against INEOS Fluor International Limited relating to Mexichem's purchase of the Fluor business from INEOS which completed in March 2010. At this early stage it is not possible to assess whether any economic outflow will result from the claim, and as all legal costs are being expensed as incurred no provision has been made in respect of this claim.