

INEOS Silicas Partners Limited
Annual report and accounts
for the year ended 31 December 2008

Registered Number 4115521

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INEOS Silicas Partners Limited
Annual report and accounts
for the year ended 31 December 2008
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INEOS Silicas Partners Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activities and business review

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

Results and dividends

The loss for the financial year is \$132,000 (2007: \$50,000). No dividend has been declared (2007: \$Nil).

Directors

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

Mr J Reece	(appointed 1 July 2008)
Mr G Leask	(appointed 1 July 2008)
Mr L Heemskerk	(appointed 1 July 2008)
Mrs J Trimble	(resigned 2 July 2008)
Mr M Hallam	(resigned 2 July 2008)
Mr S Quarmby	(resigned 2 July 2008)

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 in respect of the Annual Report and the financial statements

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, 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.

INEOS Silicas Partners Limited

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.

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

Directors' indemnities

The company maintains liability insurance for its directors and officers. The company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. In accordance with section 386 of the Companies Act 1985 the company has elected to dispense with the obligation to appoint auditors annually.

By order of the Board



M Stokes

Company Secretary

21 September 2009

INEOS Silicas Partners Limited

Independent auditors' report to the members of INEOS Silicas Partners Limited

We have audited the financial statements of INEOS Silicas Partners Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of accounting policies 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 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 Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
21 September 2009

INEOS Silicas Partners Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 \$'000	2007 \$'000
Interest payable and similar charges	4	-	(79)
Profit / (loss) on ordinary activities before taxation		-	(79)
Tax on profit / (loss) on ordinary activities	5	(132)	29
Loss for the financial year	8	(132)	(50)

All results relate to continuing activities.

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

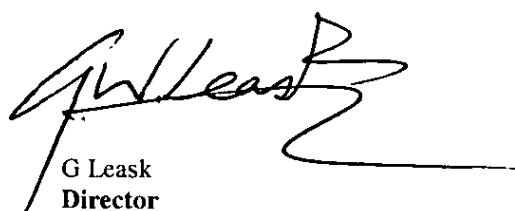
There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

INEOS Silicas Partners Limited

Balance sheet as at 31 December 2008

	Note	2008 \$'000	2007 \$'000
Current assets			
Debtors	6	3,599	3,731
Net assets		3,599	3,731
Capital and reserves			
Called up equity share capital	7	4,583	4,583
Profit and loss account	8	(984)	(852)
Total shareholders' funds	9	3,599	3,731

The financial statements on pages 4 to 9 were approved by the board of directors on 21 September 2009 and were signed on its behalf by:



G Leask
Director

INEOS Silicas Partners Limited

Statement of accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. 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. The principal accounting policies, which have been consistently applied are set out below.

Cash flow and related party transactions

The company is a wholly owned subsidiary of INEOS Silicas Holdings Limited and is included in the consolidated financial statements of INEOS Limited. 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.

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.

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

1 Reporting currency

The financial statements are expressed in US dollars as the company's assets are denominated in US dollars.

The exchange rate as at 31 December 2008 was \$1.44293 /£1. (2007: \$1.98840 /£1).

2 Employees and directors

Neither the directors nor the secretary received any emoluments during the year (2007: \$Nil) in respect of their services to the company.

No other persons were employed during the year or in the prior year.

3 Auditor's remuneration

The audit fee has been included in the overall audit fee for INEOS Group Holdings Plc in the current and prior year and is not separately recharged to the company.

4 Interest payable and similar charges

	2008	2007
	\$'000	\$'000
Exchange loss on intercompany balances	-	(79)

5 Tax on loss on ordinary activities

(a) Analysis of charge

The tax charge is made up as follows:	2008	2007
	\$'000	\$'000
Current tax		
Group relief payable		
- Current year	-	(24)
- Adjustments in respect of previous year	132	(5)
Tax on loss on ordinary activities	132	(29)

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5 Tax on loss on ordinary activities (continued)

(b) Factors affecting the charge for the year

The current tax charge / (credit) for the year is higher (2007: lower) than the standard rate of corporation tax in the UK 28% (2007: 30%).

The differences are explained below:

	2008 \$'000	2007 \$'000
Loss on ordinary activities before taxation	-	(79)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	-	(24)
Effects of:		
- Adjustments in respect of previous year	132	(5)
Total current tax charge / (credit) for the year	132	(29)

(c) Factors that may affect future tax charge

There are no factors which are expected to affect the future tax charge.

The company did not have any provided or unprovided deferred tax assets or liabilities at 31 December 2008 (2007: \$Nil).

6 Debtors

	2008 \$'000	2007 \$'000
Amounts owed by group undertakings	3,253	3,253
Group relief receivable	346	478
	3,599	3,731

7 Called up share capital

	2008 \$'000	2007 \$'000
Authorised, allotted and fully paid		
3,150,000 ordinary shares of £1 each	4,583	4,583

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8 Reserves

	Profit and loss account
	\$'000
At 1 January 2008	(852)
Loss for the financial year	(132)
At 31 December 2008	(984)

9 Reconciliation of movements in shareholders' funds

	2008	2007
	\$'000	\$'000
Loss for the financial year	(132)	(50)
Opening shareholders' funds	3,731	3,781
Closing shareholders' funds	3,599	3,731

10 Related party transactions

The ultimate parent company and controlling party is INEOS Limited and the intermediate holding company is INEOS Investments International Limited as re-named on 15 January 2008 from INEOS Holdings (Fluor & Silicas) 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 Number 8.

11 Parent undertakings and controlling party

The immediate parent undertaking is INEOS Silicas Holdings Limited, a company incorporated in England and Wales.

INEOS Limited is the ultimate parent undertaking and parent undertaking of the largest group of undertakings to consolidate these financial statements. INEOS Group Holdings plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. Copies of the accounts of both INEOS Limited and INEOS Group Holdings Plc can be obtained from the Company Secretary, INEOS Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The ultimate controlling party is Mr J A Ratcliffe, director and majority shareholder in the ultimate parent undertakings INEOS Limited and INEOS Group Holdings Plc..