

INEOS Fluor Delaware Limited  
Annual report  
for the year ended 31 December 2011

Registered Number 4115605



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for the year ended 31 December 2011  
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# INEOS Fluor Delaware Limited

## Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011

### 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 company's result before taxation for the financial year is \$nil (2010: \$nil). The directors do not recommend payment of a dividend (2010: \$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:

G Leask (appointed 16 November 2011)

MJ Maher (appointed 16 November 2011)

A White (appointed 10 April 2012)

GS Corsi (resigned 10 April 2012)

H Deans (resigned 16 November 2011)

PC Overment (resigned 16 November 2011)

### Statement of director's 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 elected to prepare 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.

# INEOS Fluor Delaware Limited

## Directors' report for the year ended 31 December 2011 *(continued)*

### 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

### 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



MJ Maher  
Director

13 August 2012

# **INEOS Fluor Delaware Limited**

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

We have audited the financial statements of INEOS Fluor Delaware Limited for the year ended 31 December 2011, 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 Directors' Responsibilities Statement set out on page 1 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 Directors' 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 2011 and of its profit 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 Delaware Limited**

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

13 August 2012

## INEOS Fluor Delaware Limited

### Profit and loss account for the year ended 31 December 2011

	Note	2011 \$'000	2010 \$'000
Profit / (loss) on ordinary activities before taxation	3	-	-
Tax on profit / (loss) on ordinary activities	4	5	(65)
Retained profit/(loss) for the financial year	7 / 8	5	(65)

All results relate to continuing activities

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

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the years stated above and their historical cost equivalents

# INEOS Fluor Delaware Limited

## Balance sheet as at 31 December 2011

	Note	2011 \$'000	2010 \$'000
<b>Current assets</b>			
Debtors	5	7,565	7,560
<b>Net current assets and net assets</b>		<b>7,565</b>	<b>7,560</b>
<b>Capital and reserves</b>			
Called up share capital	6	9,458	9,458
Profit and loss account	7	(1,893)	(1,898)
<b>Total shareholders' funds</b>	8	<b>7,565</b>	<b>7,560</b>

The financial statements on pages 5 to 12 were approved by the board of directors on **13** August 2012 and were signed on its behalf by



MJ Maher  
Director

Registered Number 4115605



# **INEOS Fluor Delaware Limited**

## **Accounting policies**

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 Fluor Holdings Limited and is included in the consolidated financial statements of INEOS Group Holdings plc. 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 plc group.

### **Deferred taxation**

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

### **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.

# INEOS Fluor Delaware Limited

## Notes to the financial statements for the year ended 31 December 2011

### 1 Reporting currency

The financial statements are expressed in US dollars as the majority of the company's assets are denominated in US dollars. The exchange rate at 31 December 2011 was \$1.54702 £1 (2010 \$1.54244 £1)

### 2 Employees and directors

None of the directors received any emoluments during the year in respect of their services to the company (2010 £nil)

No other persons were employed during the year

### 3 Profit on ordinary activities before taxation

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

### 4 Taxation

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

	2011 \$'000	2010 \$'000
<b>Current tax</b>		
Group relief payable to group company at 26.5% (2010 28%)		
- Current year	-	-
- Adjustment in respect of previous periods	5	(65)
<b>Total current tax</b>	<b>5</b>	<b>(65)</b>

# INEOS Fluor Delaware Limited

## Notes to the financial statements for the year ended 31 December 2011 *(continued)*

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

The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011 \$'000	2010 \$'000
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	-	-
Effects of		
Adjustment in respect of previous periods	5	(65)
Total current tax	5	(65)

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

The Finance Act 2011 was substantively enacted on 29 March 2011 and included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011. A further reduction to 25% from 1 April 2012 was substantively enacted by subsequent legislation on 5 July 2011. The deferred tax asset at 31 December 2011 has been re-measured accordingly.

Further reductions to the UK corporation tax rate were announced in the 2011 Budget on 23 March 2011, which proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. However, a further announcement was made in the 2012 Budget on 21 March 2012, which will result in the rate reducing to 24% from 1 April 2012, with further 1% reductions per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

# INEOS Fluor Delaware Limited

## Notes to the financial statements for the year ended 31 December 2011 *(continued)*

### 5 Debtors

	2011 \$'000	2010 \$'000
Amounts due from group undertakings	5,858	5,858
Group relief receivable	1,707	1,702
	7,565	7,560

All debtors are due within one year

Amounts owed from group undertakings comprise of intercompany current accounts Intercompany current accounts are denominated in US dollars and are not interest bearing

### 6 Share capital

	2011 \$'000	2010 \$'000
Authorised, allotted, issued and fully paid		
6,500,001 ordinary shares of £1 each	9,458	9,458

### 7 Profit and loss account

	\$'000
At 1 January 2011	(1,898)
Profit for the year	5
At 31 December 2011	(1,893)

# INEOS Fluor Delaware Limited

## Notes to the financial statements for the year ended 31 December 2011 *(continued)*

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

	2011 \$'000	2010 \$'000
Profit/(loss) for the year	5	(65)
Net addition/(reduction) to shareholders' funds	5	(65)
Opening shareholders' funds	7,560	7,625
Closing shareholders' funds	7,565	7,560

### 9 Parent undertakings 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.

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

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 Delaware Limited**

## **Notes to the financial statements for the year ended 31 December 2011** *(continued)*

### **10 Contingent liabilities**

The company is party to a Senior Facilities Agreement dated 12 May 2010 (as amended). The Senior Facilities Agreement comprises of term loans (Term Loan A, Term Loan B, Term Loan C and Term Loan D) and a Revolving Credit Facility. The total outstanding indebtedness under the Senior Facilities Agreement at 31 December 2011 was €3,170.0 million (2010: €3,907.0 million). The company is a guarantor under the Senior Facilities Agreement. These obligations are secured by fixed and floating charges over the assets of the company.

The company is party to the Senior Secured Notes Indenture dated 12 May 2010 (as amended). The Senior Secured Notes comprise the €300 million 9.25% Senior Secured Notes Due 2015 and the \$570 million 9.0% Senior Secured Notes Due 2015. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2011 was €740.3 million (2010: €733.9 million). The company is a guarantor under the Senior Secured Notes Indenture. These obligations are secured by fixed and floating charges over the assets of the company.

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 2011 was €2,055.4 million (2010: €2,047.9 million). The company is a guarantor under the Senior Notes Indenture. These guarantees are on an unsecured senior subordinated basis.

### **11 Post balance sheet event**

On 10 February 2012, INEOS Finance plc issued €500,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2019 and \$1,000,000,000 8.375% Senior Secured Notes due 2019 under an indenture dated 10 February 2012. The company is a guarantor under this Indenture. These obligations are secured by fixed and floating charges over the assets of the company.