

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

Registered Number 4115605

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

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 (2011: \$nil). 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:

G Leask

MJ Maher

A White (appointed 10 April 2012)

GS Corsi (resigned 10 April 2012)

### 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.

# **INEOS Fluor Delaware Limited**

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

### **Statement of disclosure to auditors**

Each of the persons who are directors at the date of approval of this report confirms that

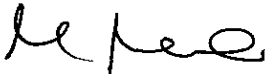
- (a) there is no relevant information of which the company's auditors are unaware, and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

### **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 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 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 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 2012 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

27 September 2013

## INEOS Fluor Delaware Limited

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

	Note	2012 \$'000	2011 \$'000
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities	4	73	5
Profit for the financial year	7 / 8	73	5

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 on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

# INEOS Fluor Delaware Limited

## Balance sheet as at 31 December 2012

	Note	2012 \$'000	2011 \$'000
<b>Current assets</b>			
Debtors	5	7,638	7,565
<b>Net current assets and net assets</b>		<b>7,638</b>	<b>7,565</b>
<b>Capital and reserves</b>			
Called up share capital	6	9,458	9,458
Profit and loss account	7	(1,820)	(1,893)
<b>Total shareholders' funds</b>	8	<b>7,638</b>	<b>7,565</b>

The financial statements on pages 5 to 12 were approved by the board of directors on 27 September 2013 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 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.

### **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 2012

### 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 2012 was \$1.61276 £1 (2011 \$1.54702 £1).

### 2 Employees and directors

The directors did not receive any emoluments in respect of their services to the company (2011: £nil). No other persons were employed during the year (2011: none).

### 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 on profit on ordinary activities

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

	2012 \$'000	2011 \$'000
<b>Current tax</b>		
Group relief payable to group company at 24.5% (2011: 26.5%)		
- Current year	-	-
- Adjustment in respect of previous years	73	5
<b>Total current tax</b>	<b>73</b>	<b>5</b>

# INEOS Fluor Delaware Limited

## Notes to the financial statements for the year ended 31 December 2012 *(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 differences are explained below:

	2012 \$'000	2011 \$'000
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% ( <i>2011 26.5%</i> )	-	-
Effects of:		
Adjustment in respect of previous years	73	5
Total current tax	73	5

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

A change in the UK corporation tax rate to 24% was enacted on 26 March 2012, to come into effect from 1 April 2012. In addition, a change in the UK corporation tax rate from 24% to 23% was enacted on 3 July 2012 which is applicable from 1 April 2013.

The government has also indicated it intends to introduce further reductions in the main tax rate, with the rate falling to 20% by 1 April 2015. These further reductions to the tax rates have not been enacted at the balance sheet date and are therefore not reflected in these financial statements.

# INEOS Fluor Delaware Limited

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

### 5 Debtors

	2012	2011
	\$'000	\$'000
Amounts owed by group undertakings	5,858	5,858
Group relief receivable	1,780	1,707
	7,638	7,565

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 Called up share capital

	2012	2011
	\$'000	\$'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 2012	(1,893)
Profit for the financial year	73
At 31 December 2012	(1,820)

# INEOS Fluor Delaware Limited

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

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

	2012 \$'000	2011 \$ 000
Profit for the financial year	73	5
Net addition to shareholders' funds	73	5
Opening shareholders' funds	7,565	7,560
Closing shareholders' funds	7,638	7,565

### 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.

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 Delaware Limited

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

### 10 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.