

INEOS Vinyls Holdings Limited

Annual report and financial statements

Registered number 04144744

31 December 2015

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Strategic report

The Directors present their strategic report for INEOS Vinyls Holdings Limited ("the Company") for the year ended 31 December 2015.

Principal activities

The Company's principal activity is to act as a holding company.

Review of the business

The profit on ordinary activities before taxation was £46.6 million (2014: loss of £3.7 million).

On 6 October 2015 the Company received a dividend of £80.5 million from INEOS Vinyls Investments Limited, of which £47.6 million was offset against the value of the investment held in this subsidiary. On the same date the Company received a dividend of £16.7 million from INEOS Vinyls (II) Limited of which £0.4 million was offset against the value of the investment held in this subsidiary.

On 11 November 2015 INEOS Vinyls Investments Limited and INEOS Vinyls (II) Limited were placed into liquidation.

During the year the Company incurred interest payable and similar charges arising on loans from other group entities of £2.6 million (2014: £3.7 million).

The net assets of the Company at 31 December 2015 were £59.2 million (2014: £12.1 million).

Objectives and strategy

The directors do not expect any change in the company's activities during the next financial year as the company will continue to act as a holding company.

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition factors which would cause a decline in the market. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of parent company Ineos Group Holdings S.A., which does not form part of this report.

Key Performance Indicators

The directors of Ineos Group Holdings S.A. manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using performance indicators of the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Ineos Vinyls Holdings Limited. The development, performance and position of the group, including this company, is discussed in the group's annual report which does not form part of this report.

On behalf of the Board



M J Maher

Director

15 April 2016

Directors' report

The Directors present their report and the audited financial statements of INEOS Vinyls Holdings Limited ("the Company") for the year ended 31 December 2015.

Directors

The Directors who held office during the year, and up to the date of signing the financial statements, were as follows:

CE Tane
M J Maher
A J Reed (resigned 14 September 2015)

Directors' indemnities

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertaking, has maintained cover for its directors and officers under a directors' and officers' liability insurance policy as permitted by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in 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 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 S.A.

Future developments

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

Dividends

The directors do not recommend the payment of a dividend (2014: nil).

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework (FRS 101)*.

Directors' report (continued)

Statement of Directors' responsibilities (continued)

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

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.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. As a consequence of the Company passing a written shareholder resolution, there is no longer a requirement to reappoint PricewaterhouseCoopers LLP as auditors of the Company on an annual basis.

On behalf of the Board



M J Maher

Director

INEOS Vinyls Holdings Limited

PO Box 9 Runcorn Site HQ, South Parade Runcorn, Cheshire, WA7 4JE

15 April 2016

Independent auditors' report to the members of INEOS Vinyls Holdings Limited

Report on the company financial statements

Our opinion

In our opinion, INEOS Vinyls Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of INEOS Vinyls Holdings Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 3 and 4, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
15 April 2016

Profit and loss account
for the year ended 31 December 2015

	<i>Note</i>	2015 £m	2014 £m
Operating result	2	-	-
Income from shares in group undertakings	3	97.2	-
Amounts written off investments	3	(48.0)	-
Interest payable and similar charges	5	(2.6)	(3.7)
Profit/(loss) on ordinary activities before taxation		46.6	(3.7)
Tax on profit/(loss) on ordinary activities	6	0.5	0.9
Profit/(loss) for the financial year		47.1	(2.8)

All activities of the company relate to continuing operations.

The company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

Balance sheet
As at 31 December 2015

	<i>Note</i>	2015 £m	2015 £m	2014 £m	2014 £m
Fixed assets					
Investments	7		-		48.0
			<hr/>		<hr/>
			-		48.0
Current assets					
Debtors	8	59.2		5.6	
Creditors: amounts falling due within one year	9	-		(41.5)	
		<hr/>		<hr/>	
Net current assets/(liabilities)			59.2		(35.9)
			<hr/>		<hr/>
Net assets			59.2		12.1
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	11		-		-
Share premium account			39.5		39.5
Profit and loss account			19.7		(27.4)
			<hr/>		<hr/>
Total shareholders' funds			59.2		12.1
			<hr/>		<hr/>

These financial statements on pages 7 to 16 were approved by the board of directors on 15 April 2016 and were signed on its behalf by:



M J Maher
Director

INEOS Vinyls Holdings Limited

Company registered number: 04144744

Statement of changes in equity

	Called up share capital £m	Premium account Share £m	Profit and loss account £m	Total shareholders' funds £m
Balance at 1 January 2014	-	39.5	(24.6)	14.9
Loss for the financial year	-	-	(2.8)	(2.8)
Balance at 31 December 2014	-	39.5	(27.4)	12.1

	Called up share capital £m	Premium account Share £m	Profit and loss account £m	Total shareholders' funds £m
Balance at 1 January 2015	-	39.5	(27.4)	12.1
Profit for the financial year	-	-	47.1	47.1
Balance at 31 December 2015	-	39.5	19.7	59.2

Notes

(forming part of the financial statements)

1 Accounting policies

INEOS Vinyls Holdings Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently on the going concern basis, to all periods presented in these financial statements and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in equity securities

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

1.4 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.5 Expenses

Interest receivable and Interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method; unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested- and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Operating result

The auditors' remuneration of £3,000 (2014: £2,000) was borne by a fellow group undertaking.

3 Income from shares in group undertakings

On 6 October 2015 the Company received a dividend of £80.5 million from INEOS Vinyls Investments Limited, of which £47.6 million was offset against the value of the investment held in this subsidiary. On the same date the Company received a dividend of £16.7 million from INEOS Vinyls (II) Limited of which £0.4 million was offset against the value of the investment held in this subsidiary.

4 Staff costs and Directors' remuneration

The Company had no employees during the year (2014: nil). No Directors received any fees or remuneration in respect of their services as a Director of the Company during the financial year (2014: £nil).

5 Interest payable and similar charges

	2015 £m	2014 £m
Total interest expense on financial liabilities measured at amortised cost	2.6	3.7

Interest payable and similar charges comprises interest payable and similar charges on all other loans of £2.6 million (2014: £3.7 million). This was payable to group undertakings.

Notes (continued)
(forming part of the financial statements)

6 Tax on profit/(loss) on ordinary activities

Recognised in the profit and loss account

	2015 £m	2015 £m	2014 £m	2014 £m
<i>UK corporation tax</i>				
Current tax on profit/(loss) for the financial year	(0.6)		(0.8)	
Adjustments in respect of prior periods	0.1		(0.1)	
	<hr/>		<hr/>	
Total current tax		(0.5)		(0.9)
		<hr/>		<hr/>
Tax on profit/(loss) on ordinary activities		(0.5)		(0.9)
		<hr/>		<hr/>

Reconciliation of effective tax rate

	2015 £m	2014 £m
Total tax credit	(0.5)	(0.9)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	46.6	(3.7)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of tax in the UK of 20.25 % (2014: 21.50 %)	9.4	(0.8)
Effect of tax exempt revenues	(19.7)	-
Effect of non-tax deductible expenses	9.7	-
Adjustments in respect of prior periods	0.1	(0.1)
	<hr/>	<hr/>
Total tax credit	(0.5)	(0.9)
	<hr/>	<hr/>

In July 2015, the UK Corporation tax rate for periods commencing 1 April 2017 was changed from 20% to 19% and for periods from 1 April 2020 from 19% to 18%.

Notes (continued)
(forming part of the financial statements)

7 Investments

	Shares in group undertakings £m
At 1 January 2015	48.0
Amounts written off investments	(48.0)
At 31 December 2015	-

The Company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares held	Ownership 2015	2014
INEOS Vinyls Investments Limited(a) (b)	England	Ordinary	100%	100%
INEOS Vinyls (II) Limited (a) (b)	England	Ordinary	100%	100%
INEOS Vinyls Limited (a)	England	Ordinary	100%	100%
INEOS Films Srl (a)	Italy	Ordinary	100%	100%
INEOS IIL Limited	Ireland	Ordinary	100%	100%
INEOS Compounds UK Limited	England	Ordinary	100%	100%
INEOS Vinyls France SAS	France	Ordinary	100%	100%
INEOS Compounds France SAS	France	Ordinary	100%	100%
INEOS Vinyls Belgium NV	Belgium	Ordinary	100%	100%
Interplastik-Werk GmbH	Austria	Ordinary	100%	100%
EVC Nederland BV	The Netherlands	Ordinary	100%	100%
EVC Rigid Film Inc	USA	Ordinary	100%	100%
INEOS Films Limited	England	Ordinary	100%	100%
INEOS Technologies (Vinyls) Limited	England	Ordinary	100%	100%

(a) Shares held directly by the Company

(b) INEOS Vinyls Investments Limited and INEOS Vinyls (II) Limited were placed into liquidation on 11 November 2015

8 Debtors

	2015 £m	2014 £m
Group relief balances owed by group undertakings	6.1	5.6
Amounts owed by group undertakings	53.1	-
	<u>59.2</u>	<u>5.6</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment and are repayable upon demand.

Notes (continued)
(forming part of the financial statements)

9 Creditors: amounts falling due within one year

	2015 £m	2014 £m
Amounts owed to group undertakings	-	41.5

Amounts owed to group undertakings are unsecured, attract interest at commercial rates, have no fixed repayment and are repayable upon demand.

10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2015 £m	2014 £m
Creditors falling due within one year		
Unsecured amounts owed to group undertakings	-	41.5

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2015 £m	Carrying amount 2015 £m	Face value 2014 £m	Carrying amount 2014 £m
Current loan from group undertaking	£	LIBOR (min 3.25%) plus 6%	2015	-	-	41.5	41.5

11 Called up share capital

At 31 December 2014 and 31 December 2015

	Number	£
Allotted, called up and fully paid		
Ordinary shares of 1 p each	100,000	1,000
Deferred shares of £1 each	1,000	1,000
	101,000	2,000
Shares classified in shareholders' funds	101,000	2,000

Except as provided below, the ordinary shares and the deferred shares rank pari passu. Each of the deferred shares is entitled to receive a dividend of 0.00001 pence per annum. On return of capital, each of the deferred shares carry the right to amounts paid up immediately subsequent to the repayment of the holders of the ordinary shares pari passu the sum of a further £100,000,000 per share.

Notes (continued)
(forming part of the financial statements)

11 Called up share capital (continued)

None of the deferred shares carry rights to receive notice of or to attend and vote at any general meeting of the company, nor do they carry any other right to participate in the profits or the assets of the Company.

The ordinary shares rank *pari passu* in all respects in relation to any dividend declared made or paid by the Company subject only to the dividend rights of the deferred shares as stated above.

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company available for distribution amongst the members shall be paid to and distributed among the holders of the ordinary shares *pro rata* according to their respective shareholdings, subject only to the rights on return of capital of the deferred shares as set out above.

12 Controlling parties

The Company is a subsidiary undertaking of Hawkslease Finance Company Limited which is its intermediate parent company incorporated in England and Wales. The ultimate parent undertaking is INEOS AG, a company incorporated in Switzerland. The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertakings INEOS AG.

The largest and smallest group in which the results of the Company are consolidated is that headed by INEOS Group Holdings S.A, a subsidiary of INEOS AG, a company registered in Luxembourg. The consolidated financial statements of INEOS Group Holdings S.A. are available to the public and may be obtained from the Company Secretary at 58 Rue Charles Martel, Luxembourg, L-2134.