

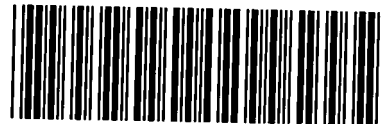
INEOS Vinyls Holdings Limited

Annual report and financial statements

Registered number 04144744

31 December 2017

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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 2017.

Principal activities

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

Review of the business

The profit before taxation was £0.1 million (2016: £0.2 million).

During the year the Company received interest of £0.1m (2016: £0.2 million) on loans to other group entities. The net assets of the Company at 31 December 2017 were £59.5 million (2016: £59.4 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.

Approved and signed on behalf of the Board



M J Maher
Director
09 April 2018

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 2017.

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

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 (2016: nil).

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;

Directors' report (continued)

Statement of directors' responsibilities (continued)

- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

Approved and signed on behalf of the Board



M J Maher
Director
09 April 2018
INEOS Vinyls Holdings Limited
PO Box 9 Runcorn Site HQ
South Parade
Runcorn, Cheshire
WA7 4JE

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

Report on the audit of the financial statements

Opinion

In our opinion, INEOS Vinyls Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2017; the Profit and loss account, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
09 April 2018

Profit and loss account
for the year ended 31 December 2017

	<i>Note</i>	2017 £m	2016 £m
Operating result	2	-	-
Interest receivable and similar income	4	0.1	0.2
Profit before taxation		<u>0.1</u>	<u>0.2</u>
Tax on profit	5	-	-
Profit for the financial year		<u>0.1</u>	<u>0.2</u>

All activities of the Company relate to continuing operations.

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

Balance sheet
As at 31 December 2017

	<i>Note</i>	2017 £m	2017 £m	2016 £m	2016 £m
Fixed assets					
Investments	6		-		-
			<hr/>		<hr/>
			-		-
Current assets					
Debtors	7	59.5		59.4	
		<hr/>		<hr/>	
Net current assets			59.5		59.4
			<hr/>		<hr/>
Net assets			59.5		59.4
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	8		-		-
Share premium account			39.5		39.5
Profit and loss account			20.0		19.9
			<hr/>		<hr/>
Total shareholders' funds			59.5		59.4
			<hr/>		<hr/>

These financial statements on pages 8 to 16 were approved by the board of directors on 09 April 2018 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	Share Premium account £m	Profit and loss account £m	Total shareholders' funds £m
Balance at 1 January 2016	-	39.5	19.7	59.2
Profit for the financial year	-	-	0.2	0.2
Balance at 31 December 2016	-	39.5	19.9	59.4

	Called up share capital £m	Share Premium account £m	Profit and loss account £m	Total shareholders' funds £m
Balance at 1 January 2017	-	39.5	19.9	59.4
Profit for the financial year	-	-	0.1	0.1
Balance at 31 December 2017	-	39.5	20.0	59.5

Notes

(forming part of the financial statements)

1 Accounting policies

INEOS Vinyls Holdings Limited (the "Company") is a private company, limited by shares, incorporated, registered and domiciled in England, 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.

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.

Notes

(forming part of the financial statements)

1 Accounting policies *(continued)*

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors 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.

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

Interest receivable and similar income includes interest receivable on funds invested.

Interest income 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 £2,000 (2016: £2,000) was borne by a fellow group undertaking.

3 Staff costs and Directors' remuneration

The Company had no employees during the year (2016: nil). No directors received any fees or remuneration in respect of their services as a director of the Company during the financial year (2016: £nil).

4 Interest receivable and similar income

	2017 £m	2016 £m
Interest receivable from group undertakings	0.1	0.2

5 Tax on profit

The tax charge recognised for the financial year of £Nil (2016: £Nil) is equal to the standard rate of corporation tax in the UK of 19.25% (2016: 20.0%) based on profit on ordinary activities before taxation of £0.2m (2016: £0.2m).

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

6 Investments

**Shares in
group
undertakings
£m**

Cost and net book value

At 31 December 2016 and 31 December 2017

The Company has the following investments in subsidiaries:

	Country of incorporation	Principal activity	Registered office reference	Class of shares held	Ownership 2017	2016
INEOS Vinyls Limited (a)	England	Holding company	(A)	Ordinary	100%	100%
INEOS Films Srl (a) ⁽¹⁾	Italy	Dormant	(B)	Ordinary	100%	100%
INEOS Compounds UK Limited	England	Non trading	(A)	Ordinary	100%	100%
INEOS Vinyls France SAS	France	Non trading	(C)	Ordinary	100%	100%
INEOS Compounds France SAS	France	Non trading	(C)	Ordinary	100%	100%
INEOS Vinyls Belgium NV	Belgium	Manufacture of other chemicals	(D)	Ordinary	100%	100%
Interplastik-Werk GmbH	Austria	Non trading	(E)	Ordinary	100%	100%
EVC Nederland BV	Netherlands	Non trading	(F)	Ordinary	100%	100%
INEOS Films Limited	England	Non trading	(G)	Ordinary	100%	100%
INEOS Technologies (Vinyls) Limited	England	Manufacture of other chemicals	(A)	Ordinary	100%	100%

(a) Shares held directly by the Company

⁽¹⁾ INEOS Films Srl is in liquidation

The registered office addresses of the investments disclosed in this note are:

Reference Registered office address

- (A) Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom
- (B) Via XXIV Maggio, 1, 21043, Castiglione Olona, Varese (VA), Italy
- (C) Voie Communale de Baconnes 77500
- (D) Nieuwe Weg 1, Haven 1053, 2070 Zwijndrecht, Belgium
- (E) Kaizer Josef Platz 12, A-4600, Wels, Austria
- (F) Ingenieur Rocourstraat 28, 6245, AD Eijsden, Netherlands
- (G) Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom

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

7 Debtors

	2017 £m	2016 £m
Group relief balances owed by group undertakings	6.0	6.1
Amounts owed by group undertakings	53.5	53.3
	<u>59.5</u>	<u>59.4</u>

Amounts owed by group undertakings, excluding group relief, attract commercial rates of interest, are unsecured, have no fixed repayment date and are repayable upon demand. Group relief balances owed by group undertakings are interest free, unsecured, have no fixed repayment date and are payable on demand.

8 Called up share capital

At 31 December 2016 and 31 December 2017

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

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.

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.

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

9 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 Limited, a company incorporated in the Isle of Man. 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 Limited.

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 Limited, 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.