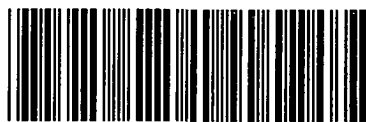


INEOS Vinyls (II) Limited
Annual report
for the year ended 31 December 2013

Registered Number 04241416

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INEOS Vinyls (II) Limited
Annual report
for the year ended 31 December 2013
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INEOS Vinyls (II) Limited

Strategic report for the year ended 31 December 2013

The Directors present their strategic report for INEOS Vinyls (II) Limited ("the Company") for the year ended 31 December 2013.

Principal activities

The Company does not trade.

Review of the business

The profit on ordinary activities before taxation for the financial year was £68,000 (2012: £21,000).

The net assets of the Company at 31 December 2013 were £13,736,000 (2012: £13,752,000).

Financial risk management

The Company's operations expose it to a variety of financial risks including the effects of credit risk. As most of the Company's operations involve related parties, none of these risks are considered significant.

As the Company is a subsidiary of INEOS Group Holdings S.A. all risks are managed at a Group level. Further detail of the Group's principal risks and uncertainties can be found in the Annual report and financial statements of INEOS Group Holdings S.A.

Future developments

At the end of the year there were no immediate plans for a change in the Company's operations.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

By order of the Board



M J Maher

Director

1 September 2014

INEOS Vinyls (II) Limited

Directors' report for the year ended 31 December 2013

The Directors present their report and the audited financial statements of INEOS Vinyls (II) Limited ("the Company") for the year ended 31 December 2013.

Future developments

An indication of the likely future developments of the business is included in the Strategic report on page 1.

Dividends

The Directors do not recommend the payment of a dividend (2012: €nil).

Financial risk management

Financial risk management strategy is described in the Strategic report on page 1.

Directors

The Directors who held office during the year and to the date of this report were as follows:

CE Tane
M J Maher
A J Reed

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.

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 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 Vinyls (II) Limited

Directors' report for the year ended 31 December 2013 (continued)

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 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.

By order of the Board



M J Maher

Director

1 September 2014

INEOS Vinyls (II) Limited

Independent Auditors' report to the members of INEOS Vinyls (II) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by INEOS Vinyls (II) Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the reconciliation of movements in shareholders' funds 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual report 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.

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.

INEOS Vinyls (II) Limited

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

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.

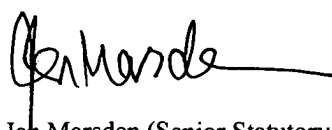
Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, 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 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.



Ian Marsden (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
1 September 2014

INEOS Vinyls (II) Limited

Profit and loss account for the year ended 31 December 2013

| | Note | 2013 £000 | 2012 £000 |
|--|------|--------------|--------------|
| Operating result | 2 | - | - |
| Interest receivable and similar income | 5 | 68 | 21 |
| Profit on ordinary activities before taxation | | 68 | 21 |
| Tax on profit on ordinary activities | 6 | (84) | (365) |
| Loss for the financial year | 10 | (16) | (344) |

All activities of the Company relate to continuing operations.

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

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of recognised gains and losses has been presented.

Reconciliation of movements in shareholder's funds for the year ended 31 December 2013

| | 2013 £000 | 2012 £000 |
|---|---------------|---------------|
| Loss for the financial year | (16) | (344) |
| Shareholder's funds at the start of the year | 13,752 | 14,096 |
| Shareholder's funds at the end of the year | 13,736 | 13,752 |

INEOS Vinyls (II) Limited

Balance sheet as at 31 December 2013

| | Note | 2013 £000 | 2012 £000 |
|--|------|---------------|---------------|
| Current assets | | | |
| Debtors | 7 | 16,633 | 16,565 |
| Creditors – amounts falling due within one year | 8 | (2,897) | (2,813) |
| Net current assets | | 13,736 | 13,752 |
| Capital and reserves | | | |
| Called up share capital | 9 | 11,100 | 11,100 |
| Profit and loss account | 10 | 2,636 | 2,652 |
| Total shareholder's funds | | 13,736 | 13,752 |

The financial statements on pages 6 to 10 were approved by the Board of Directors on 1 September 2014 and are signed on its behalf by



M J Maher
Director

INEOS Vinyls (II) Limited

Registered Number 04241416

INEOS Vinyls (II) Limited

Notes to the financial statements

1 Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the applicable accounting standards in the United Kingdom, the Companies Act 2006, and the accounting policies set out below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Company.

Cash flow statement and related party disclosures

The Company is a subsidiary of INEOS Group Holdings S.A. and its results are included in the consolidated financial statements of INEOS Group Holdings S.A., which are available to the public. Consequently, the Company has taken advantage of various exemptions from reporting requirements.

- Under the terms of Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" the Company is exempt from preparing a cash flow statement.
- Under the terms of Financial Reporting Standard 8 "Related Party Disclosures" the Company is exempt from disclosing related party transactions with entities that form part of the INEOS Group Holdings S.A. group.

Foreign currencies

Foreign currency transactions are translated into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

2 Operating result

Auditors' remuneration of £690 (2012: £653) was borne by a fellow group undertaking.

3 Directors' emoluments

None of the Directors received any emoluments in respect of services to the Company during the year or the previous year.

4 Employee information

The Company had no employees, other than the Directors, during the year or the previous year.

5 Interest receivable and similar income

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Interest receivable from group undertakings | 68 | 21 |

INEOS Vinyls (II) Limited

Notes to the financial statements (continued)

6 Tax on profit on ordinary activities

| a) Analysis of the tax charge for the year | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| UK corporation tax at 23.25% (2012: 24.5%) | 16 | 5 |
| Adjustments in respect of prior years | 68 | 360 |
| Current tax charge | 84 | 365 |

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before taxation | 68 | 21 |
| Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%) | 16 | 5 |
| Adjustments in respect of prior years | 68 | 360 |
| Current tax charge for the year | 84 | 365 |

(c) Factors which may affect future tax charges

The Finance Act 2013 was substantively enacted on 2 July 2013 and included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and further reduce to 20% from 1 April 2015.

7 Debtors

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Amounts owed by fellow group undertaking | 16,633 | 16,565 |

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and bear interest at a market rate.

8 Creditors – amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|--------------------------------|--------------|--------------|
| Corporation tax – group relief | 2,897 | 2,813 |

INEOS Vinyls (II) Limited

Notes to the financial statements (continued)

9 Called up share capital

At 31 December 2012 and 31 December 2013

Allotted and fully paid

| | Number | £ |
|----------------------------|------------|------------|
| Ordinary shares of £1 each | 1 | 1 |
| Ordinary shares of €1 each | 17,488,300 | 11,099,824 |
| | 17,488,301 | 11,099,825 |

The £1 and €1 ordinary shares have equivalent voting rights and have equal rights to distributions on winding up.

10 Reserves

| Profit and loss account | £000 |
|-----------------------------|-------|
| At 1 January 2013 | 2,652 |
| Loss for the financial year | (16) |
| At 31 December 2013 | 2,636 |

11 Ultimate parent company and ultimate controlling party

The intermediate parent undertaking is INEOS Vinyls Holdings Limited, a company registered in England and Wales. The ultimate parent company is INEOS AG, a company registered in Switzerland.

The smallest and largest group that consolidate the Company's financial statements is INEOS Group Holdings S.A., a subsidiary of INEOS AG. 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, Luxembourg.

The Directors regard Mr JA Ratcliffe to be the ultimate controlling party by virtue of his shareholding in INEOS AG.