

INEOS Enterprises Group Limited  
Annual report  
for the year ended 31 December 2009

Registered Number 4687714



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# INEOS Enterprises Group Limited

## Annual report

### for the year ended 31 December 2009

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# INEOS Enterprises Group Limited

## Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

### Principal activities and review of the business

The Company's principal activity is that of a holding company

Turnover for the year was £nil (2008 £nil) and the profit on ordinary activities before taxation was £20,000,000 (2008 £12,000,000)

During the year the Company received a dividend of £20 0m (2008 £12 0m) from its subsidiary, INEOS Enterprises Limited, and subsequently paid a dividend of £20 0m (2008 £12 0m) to its Parent Company, INEOS Enterprises Group Holdings (Jersey) Limited

On 28 January 2010, INEOS Limited completed the restructuring of financing and shareholding relationships in respect of several group companies, including INEOS Enterprises Group Limited (Note 9 includes further details)

On 26 March 2010 the Company's ultimate Parent Company became INEOS AG, a Company registered in Switzerland

### Future outlook

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

### Financial risk management

The Company is not exposed to any significant financial risks

### 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

### Directors

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

J Reece (resigned 1 October 2009)

AC Currie (resigned 1 October 2009)

H Deans

GS Corsi

GB Stewart (appointed 1 October 2009)

K Metcalfe (appointed 16 March 2010)

PC Overment (appointed 16 March 2010)

### Political and charitable contributions

The Company made no political contributions or charitable donations during the year (2008 Nil)

# INEOS Enterprises Group Limited

## Directors' report for the year ended 31 December 2009 (continued)

### Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom 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 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.

### Disclosure of information to Auditors

For each person who is a director at the time of approval of this report

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. As a result of the Company passing a written resolution, there is no longer a requirement for the auditors to be reappointed on an annual basis.

By order of the Board



PF Nichols  
Secretary

18 June 2010

# INEOS Enterprises Group Limited

## Independent auditors' report to the members of INEOS Enterprises Group Limited

We have audited the financial statements of INEOS Enterprises Group Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Equity Shareholders' Funds, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 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 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.

### 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 2009 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

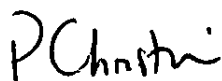
### Opinion on other matter prescribed by the Companies Act 2006

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.

### 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  
18 June 2010

# INEOS Enterprises Group Limited

## Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Selling and distribution costs		-	-
Income from fixed asset investment		20,000,000	12,000,000
Operating profit		20,000,000	12,000,000
Profit on ordinary activities before taxation		20,000,000	12,000,000
Tax on profit on ordinary activities	2	-	-
Profit for the financial year	7	20,000,000	12,000,000

There are no recognised gains or losses in either year other than the profit for the year

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 Enterprises Group Limited

## Balance sheet as at 31 December 2009

	Note	2009 £	2008 £
Fixed asset investments	3	186	186
<b>Current assets</b>			
Debtors – amounts falling due within one year	4	2,021	2,021
		2,021	2,021
<b>Creditors – amounts falling due within one year</b>	5	(1)	(1)
<b>Net current assets</b>		2,020	2,020
<b>Total assets less current liabilities</b>		2,206	2,206
<b>Capital and reserves</b>			
Called up share capital	6	1,780	1,780
Share premium account	7	275	275
Capital redemption reserve	7	28	28
Profit and loss account	7	123	123
<b>Total shareholders' funds</b>		2,206	2,206

The Financial statements on pages 4 to 12 were approved by the Board of Directors on 18 June 2010 and are signed on its behalf by



GS Corsi

INEOS Enterprises Group Limited

Registered no 4687714

## INEOS Enterprises Group Limited

### Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2009

	2009 £	2008 £
Profit for the financial year	20,000,000	12,000,000
Dividends paid	(20,000,000)	(12,000,000)
Net increase in equity shareholders' funds	-	-
Equity shareholders' funds at the start of the year	2,206	2,206
<b>Equity shareholders' funds at the end of the year</b>	<b>2,206</b>	<b>2,206</b>



# INEOS Enterprises Group Limited

## Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with applicable UK accounting standards, the Companies Act 2006 and the accounting policies set out below

### Group consolidation, cash flow statement and related party disclosures

The Company is a subsidiary of INEOS Limited and is included in the consolidated financial statements of INEOS Limited, 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 2 and in accordance with Section 400 of the Companies Act 2006, the Company is exempt from preparing Group accounts. The financial statements present information about the Company as an individual undertaking
- Under the terms of FRS 1 (revised 1996) the Company is exempt from preparing a cash flow statement
- Under the terms of Financial Reporting Standard 8 the Company is exempt from disclosing related party transactions with entities which form part of the INEOS Limited group

### Turnover

Turnover represents the sales value of goods and services supplied to customers during the period. It excludes sales between Group companies, VAT and similar sales based taxes. Revenue is recognised at the point at which title passes or services have been provided

### Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value

### Deferred taxation

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

# INEOS Enterprises Group Limited

## Notes to the accounts

### 1 Directors' emoluments

The directors did not receive any remuneration during the year (2008 £nil)

### 2 Tax on profit on ordinary activities

#### (a) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before taxation	20,000,000	12,000,000
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	5,600,000	3,420,000
Effect of		
Income not subject to taxation	(5,600,000)	(3,420,000)
Current tax charge for year	-	-

#### (b) Factors which may affect future tax charges

There are no other factors that are likely to have a significant effect on future tax charges

# INEOS Enterprises Group Limited

## Notes to the accounts (continued)

### 3 Fixed asset investments

Shares in subsidiary undertakings	£
Cost and net book value	
At 1 January 2009 and 31 December 2009	186

The Company's subsidiaries are as follows

Subsidiary undertaking	Country of registration or incorporation	Principal activity	Class/percentage of shares held
INEOS Enterprises II Limited	England	Holding Company	Ordinary 100%
INEOS Enterprises Newco 1 Limited	England	Dormant	Ordinary 100% (i)
INEOS Enterprises Limited	England	Chemicals manufacturing and selling	Ordinary 100%
INEOS Enterprises France SAS	France	Chemicals manufacturing and selling	Ordinary 100% (ii)
INEOS Asiatic Chemical Company Limited	Thailand	Chemicals manufacturing and selling	Ordinary 100% (ii)
INEOS Enterprises LLC	USA	Holding Company	Ordinary 100% (ii)

- (i) Shares owned by INEOS Enterprises II Limited  
(ii) Shares owned by INEOS Enterprises Limited

On 10 February 2010 the Group disposed of its interest in the joint venture, Great Plains Oil & Exploration LLC. The joint venture interest was held by the Group's wholly owned subsidiary INEOS Enterprises LLC.

### 4 Debtors

	2009 £	2008 £
Amounts receivable from subsidiaries	559	559
Amounts receivable from fellow Group undertakings	1,462	1,462
	2,021	2,021

### 5 Creditors – amounts falling due within one year

	2009 £	2008 £
Other creditors	1	1

# INEOS Enterprises Group Limited

## Notes to the accounts (continued)

### 6 Share capital

	Authorised shares of 1p each			
	2009 Number	2009 £	2008 Number	2008 £
Preference shares	99,400	994	99,400	994
Non-voting preference shares	600	6	600	6
2005 Business Tracker shares	106,608	1,066	106,608	1,066
Business Tracker shares	3,000,000	30,000	3,000,000	30,000
	3,206,608	32,066	3,206,608	32,066

	Allotted, issued and fully paid shares of 1p each			
	2009 Number	2009 £	2008 Number	2008 £
Preference shares	7,817	78	7,817	78
Non-voting preference shares	600	6	600	6
2005 Business Tracker shares	105,197	1,052	105,197	1,052
Business Tracker shares	64,370	644	64,370	644
	177,984	1,780	177,984	1,780

There were no changes to share capital during the year

The holders of the Preference shares and the Non-voting preference shares shall be entitled firstly to receive a preferential dividend equivalent to 3% of the nominal value of the Preference shares and secondly to receive any further dividends as determined by the Company. On a return of capital, the holders of the Preference shares and the Non-voting preference shares shall be entitled to receive the amount remaining after any distribution to holders of the Business Tracker shares. The holders of the Preference shares are entitled to one vote per share at any general meeting, but the holders of the Non-voting preference shares are not entitled to a vote at general meetings.

The holders of the 2005 Business Tracker shares and the Business Tracker shares shall be entitled to receive dividends as determined by the Company, up to a maximum of 10% of the profits available for distribution. On a return of capital the holders of the 2005 Business Tracker shares and the Business Tracker shares shall be entitled to receive amounts in aggregate up to a maximum of 10%. The holders of the 2005 Business Tracker shares and the Business Tracker shares are not entitled to a vote at general meetings.

On 18 February 2010 all shares were redesignated as 1 pence ordinary shares.

# INEOS Enterprises Group Limited

## Notes to the accounts (continued)

### 7 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 January 2009	275	28	123
Profit for the year	-	-	20,000,000
Issue of shares	-	-	-
Dividends paid	-	-	(20,000,000)
<b>At 31 December 2009</b>	<b>275</b>	<b>28</b>	<b>123</b>

### 8 Commitments and contingent liabilities

In 2003, the Company, together with other related parties, provided a guarantee to the Secretary of State for Trade and Industry in respect of a Regional Selective Assistance Grant that was made available to INEOS Chlor Limited. Under certain circumstances the Company could become liable to repay up to 50% of the amount advanced to INEOS Chlor Limited. At 31 December 2009 Grant payments of £31,200,000 (2008: £27,200,000) had been made.

### 9 Subsequent events

On 28 January 2010, INEOS Limited completed the restructuring of financing and shareholding relationships in respect of several group companies, including INEOS Enterprises Group Limited.

Kerling plc, a wholly-owned subsidiary of INEOS Limited, issued senior secured notes due in 2017 for an aggregate principal amount of €785m and used the net proceeds to:

- refinance existing indebtedness of the Kerling plc group,
- finance the acquisition of the ChlorVinyls business from INEOS Group Limited,
- refinance the existing indebtedness of the acquired ChlorVinyls business, and
- make available additional cash to the newly-enlarged group.

Kerling plc also has the following facilities in addition to the senior secured notes:

- a Revolving Credit Facility of €100m, of which £25.5m had been utilised at the date of the restructuring in the form of bank guarantees, and
- a receivables securitisation facility of €120m, of which €33m had been drawn at the date of the restructuring.

As a result of the refinancing there are no longer any loans between Kerling plc group companies and other companies in the INEOS Limited group. Although Kerling plc remains a wholly-owned subsidiary of INEOS Limited, the financing arrangements of Kerling plc are distinct and ring-fenced from those of the remaining INEOS Limited group companies.

The impact of the refinancing and restructuring on the Company is that it is now a wholly-owned member of the Kerling plc group and is a guarantor of the indebtedness of the group.

The directors do not anticipate any change in the day to day operations of the Company as a result of the refinancing.

# **INEOS Enterprises Group Limited**

## **Notes to the accounts (continued)**

### **10 Ultimate Parent Company and Ultimate Controlling Party**

At 31 December 2009, the Company was a subsidiary undertaking of INEOS Enterprises Group Holdings (Jersey) Limited, a Company registered in Jersey. The Company's ultimate Parent Company was INEOS Limited, a company registered in England and Wales.

The consolidated Group accounts of INEOS Limited are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

On 26 March 2010, INEOS Limited was acquired by INEOS AG, a company registered in Switzerland, which therefore became the Company's ultimate Parent Company.

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