

INEOS Vinyls Finance Limited (formerly
INEOS Vinyls Finance plc)
Annual report
for the year ended 31 December 2011

Registered Number 4922758

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INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Annual report

for the year ended 31 December 2011

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INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Directors' report for the year ended 31 December 2011

The Directors present their report and the audited financial statements of INEOS Vinyls Finance Limited ("the Company") for the year ended 31 December 2011

Principal activities and review of the business

The Company does not trade

On 4 November 2011 INEOS Vinyls Finance plc changed its name to INEOS Vinyls Finance Limited

Results for the year and dividends

The results of the Company are set out in the profit and loss account on page 4 which shows a loss before taxation of €54,000 (2010 profit of €4,750,000)

The Directors do not recommend the payment of a dividend (2010 €nil)

Future outlook

The Directors intend that the Company will continue in business and will explore opportunities as and when they arise

Financial risk management

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

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 and their interests

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

C E Tane

M J Maher

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined 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 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 Company 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 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

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Directors' report for the year ended 31 December 2011 (continued)

Statement of directors' responsibilities (continued)

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 auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the Annual General Meeting.

By order of the Board



P F Nichols
Company Secretary
29 June 2012

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Independent Auditors' report to the members of INEOS Vinyls Finance Limited

We have audited the financial statements (the "financial statements") of INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc) for the year ended 31 December 2011 which comprise the profit and loss account, the reconciliation of movements in shareholders' deficit, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of directors' responsibilities as set out on pages 1 and 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2011 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.

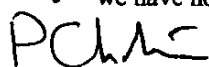
Opinion on other matter prescribed by the Companies Act 2006

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 by the Company, 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
29 June 2012

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Profit and loss account for the year ended 31 December 2011

	Note	2011 €000	2010 €000
Administrative expenses		(54)	2
Operating (loss)/profit	1	(54)	2
Net interest receivable	4	-	4,748
(Loss)/profit on ordinary activities before taxation		(54)	4,750
Tax on (loss)/profit on ordinary activities	5	-	(795)
(Loss)/profit for the financial year		(54)	3,955

All (losses)/profits for the financial years arose from continuing operations

There is no difference between the (loss)/profit on ordinary activities before and after taxation for the years stated above and their historical cost equivalents

There were no other gains or losses during the year or the previous year

Reconciliation of movements in shareholders' deficit for the year ended 31 December 2011

	2011 €000	2010 €000
(Loss)/profit for the financial year	(54)	3,955
Shareholders' deficit at the start of the year	(740)	(4,695)
Shareholders' deficit at the end of the year	(794)	(740)

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Balance sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Current assets			
Debtors – amounts falling due within one year	6	1	55
Creditors – amounts falling due within one year	7	(795)	(795)
Net current liabilities		(794)	(740)
Total assets less current liabilities		(794)	(740)
Net liabilities		(794)	(740)
Capital and reserves			
Called up share capital	8	72	72
Profit and loss account	9	(866)	(812)
Total shareholders' deficit		(794)	(740)

The financial statements on pages 4 to 9 were approved by the Board of Directors on 29 June 2012 and are signed on its behalf by



M J Maher
Director

INEOS Vinyls Finance Limited

Registered Number 4922758

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Statement of accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards, 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.

Going concern

The Directors have received confirmation that Kerling plc intends to support the Company to ensure that the Company can continue to meet its financial obligations as and when they fall due. Having received this support, the Directors believe that preparing the accounts on the going concern basis is appropriate.

Cash flow statement and related party disclosures

The Company is a subsidiary of Kerling plc and its results are included in the consolidated financial statements of Kerling plc, 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 Kerling plc group.

Foreign currencies

The functional currency of INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc) is the local currency of its principal operating environment. The Company's assets and liabilities are denominated in Euros and interest income and expenditure is primarily denominated in Euros. The financial statements are therefore presented in Euros.

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, except when deferred in reserves as qualifying net investment hedges.

Deferred finance costs

Costs associated with raising finance are deducted from the gross proceeds in the balance sheet and amortised over the term of the relevant financing at a constant rate over the carrying amount.

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 recognised to the extent that it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of timing differences can be deducted. 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 Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Notes to the financial statements

1 Operating (loss)/profit

Auditors' remuneration of €500 (2010 €1,000) was borne by a fellow group undertaking

2 Directors' emoluments

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

3 Employee information

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

4 Net interest receivable

	2011 €000	2010 €000
Interest payable on borrowings totally repayable within 5 years	-	(2,231)
Amortisation of loan issue costs	-	(1,308)
Interest payable and similar charges	-	(3,539)
Interest receivable from group undertakings and similar income	-	8,285
Exchange gains and similar income	-	2
Interest receivable and similar income	-	8,287
Net interest receivable	-	4,748

5 Tax on (loss)/profit on ordinary activities

a) Analysis of the tax charge for the year	2011 €000	2010 €000
UK Corporation Tax at 26.5% (2010 28%) - current year	-	795
UK Corporation Tax at 26.5% (2010 28%) - prior year	-	-
Current tax charge	-	795

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Notes to the financial statements (continued)

5 Tax on (loss)/profit on ordinary activities (continued)

(b) Factors affecting the tax charge for the year

The tax assessed for the year is equal to (2010 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2011 €000	2010 €000
(Loss)/profit on ordinary activities before taxation	(54)	4,750
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	(14)	1,330
Effects of		
Expenses not deductible for tax purposes	14	-
Use of brought forward losses	-	(535)
Current tax charge for the year	-	795

(c) Factors affecting future tax charges

The Finance Act 2011 was substantively enacted on 29 March 2011 and included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011. A further reduction to 25% from 1 April 2012 was substantively enacted by subsequent legislation on 5 July 2011.

Further reductions to the UK corporation tax rate were announced in the 2011 Budget on 23 March 2011, which proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. However, a further announcement was made in the 2012 Budget on 21 March 2012, which will result in the rate reducing to 24% from 1 April 2012, with further 1% reductions per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

6 Debtors – amounts falling due within one year

	2011 €000	2010 €000
Called up share capital not paid	-	54
Amounts owed by fellow group undertakings	1	1
	1	55

7 Creditors – amounts falling due within one year

	2011 €000	2010 €000
Corporation tax – group relief	795	795

INEOS Vinyls Finance Limited (formerly INEOS Vinyls Finance plc)

Notes to the financial statements (continued)

8 Called up share capital

At 31 December 2010 and 31 December 2011

	€000
50,000 ordinary shares of £1 each	
Paid up	18
Called up but not paid	54
Called up share capital	72

9 Reserves

Profit and loss account	€000
At 1 January 2011	(812)
Loss for the financial year	(54)
At 31 December 2011	(866)

10 Ultimate parent company and ultimate controlling party

The intermediate parent undertaking is INEOS ChlorVinyls 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 Kerling plc. The consolidated financial statements of Kerling plc are available to the public and may be obtained from the Company Secretary at Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

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