INEOS Properties Limited

Annual report and financial statements

Registered number 05807165

31 December 2018

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Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

Principal activities and business review

The principal activity of the company continued to be the provision of property rentals to the INEOS group. The company's profit before taxation was £106,000 (2017: £42,000).

Future developments

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

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..

Directors

The directors who held office during the year and up to the date of signing the financial statements are as follows:
B Foster
G Leask

Statement of directors' responsibilities

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

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;
- 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.

Directors' report (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

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved and signed by order of the Board

Y S Ali
Company Secretary
INEOS Properties Limited
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG
28 June 2019

Independent auditors' report to the members of INEOS Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion, INEOS Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 2018; 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 Properties Limited (continued)

Reporting on other information (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 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.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2018 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 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 page 3, 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.

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.

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

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Ian Marsden

Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
28 June 2019

Profit and Loss Account
for year ended 31 December 2018

	Note	**2018** **£000**	2017 £000
Turnover		**698**	635
Cost of sales		**(466)**	(442)
Gross profit		**232**	193
Administrative expenses		**(126)**	(56)
Exceptional administrative expenses		**-**	(95)
Total administrative expenses		**(126)**	(151)
Profit before taxation	*2*	**106**	42
Tax on profit	*5*	**25**	(54)
Profit/(loss) for the financial year		**131**	(12)

All activities of the company derive from continuing operations.

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

Balance Sheet
at 31 December 2018

	Note	**2018** **£000**	**2018** **£000**	2017 £000	2017 £000
Fixed assets					
Investment property	*6*	**10,441**		10,441	
Property, plant and equipment	*7*	**261**		102	
			10,702		10,543
Current assets					
Debtors	*8*	**882**		995	
Cash at bank and in hand		**94**		10	
		976		1,005	
Creditors: amounts falling due within one year	*9*	**(183)**		(184)	
Net current assets			**793**		821
Total assets less current liabilities			**11,495**		11,364
Net assets			**11,495**		11,364
Capital and reserves					
Called up share capital	*10*		**-**		-
Share premium account			**7,241**		7,241
Profit and loss account			**4,254**		4,123
Total shareholders' funds			**11,495**		11,364

These financial statements on pages 8 to 17 were approved by the board of directors on 28 June 2019 and were signed on its behalf by:

G Leask
Director

Company registered number: 05807165

Statement of Changes in Equity
for the year ended 31 December 2018

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 1 January 2017	-	7,241	4,135	11,376
Loss for the financial year	-	-	(12)	(12)
Balance at 31 December 2017	-	7,241	4,123	11,364

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 1 January 2018	-	7,241	4,123	11,364
Profit for the financial year	-	-	131	131
Balance at 31 December 2018	**-**	**7,241**	**4,254**	**11,495**

Notes
(forming part of the financial statements)

1 Accounting policies

INEOS Properties Limited is a private company, limited by shares, incorporated, registered and domiciled in England, UK.

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;
- Comparative period reconciliations for share capital;
- 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.

As the consolidated financial statements of INEOS Group Holdings S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

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.

Impact of New standards and interpretations

IFRS 9 is a new accounting standard that is effective for the year ended 31 December 2018 and has an impact on the company (note 1.4). IFRS 15 also became effective in the year and has an impact on the company (note 1.8). There are no other amendments to accounting standards that are effective for the year ended 31 December 2018 which have had a material impact on the company.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Based on the budgeted cash flows of the Company and its subsidiaries and taking into account the facilities available, the directors continue to adopt the going concern basis in preparing the financial statements.

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

1 Accounting policies (continued)

1.3 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.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt 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, the company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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.

1.5 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.6 Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. Cost includes the original price and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of the assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience. The depreciation rates used are as follows:

Fixtures and fittings	- 25% straight line
Premises equipment	- 25% straight line
IT equipment	- 25% straight line
Motor vehicles	- 33% reducing balance
Assets under construction	- Nil

1.7 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost.

1.8 Turnover

INEOS Properties Limited operates one class of business, that of property rental, and in one geographical sector, the United Kingdom. Turnover represents rental income and is recognised on the accruals basis. The company uses the five step model for the recognition of revenue under IFRS 15, however the impact of the standard is not material.

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

1 Accounting policies (continued)

1.9 Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

2 Profit before taxation

Profit before taxation is stated after charging

	2018	2017
	£000	£000
Depreciation and impairment	**106**	135

Fees receivable by the company's auditors and its associates in respect of services to the company and its associates, are disclosed on a consolidated basis in the consolidated financial statements of INEOS Group Holdings S.A. in both the current and the prior year.

3 Directors' remuneration

None of the directors received any remuneration for their services provided during 2018 (2017: £nil).

4 Staff numbers and costs

There were no employees other than the directors of the company during the year (2017: none).

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

5 Tax on profit

	2018	2017
	£000	£000
UK corporation tax		
Current tax on income for the year	**23**	23
Adjustments in respect of prior periods	**(46)**	61
Total current tax	**(23)**	84
Deferred tax		
Current tax	**(2)**	-
Adjustments in respect of prior periods	**-**	(30)
Total deferred tax credit	**(2)**	(30)
Tax on profit	**(25)**	54

Reconciliation of effective tax rate

	2018	2017
	£000	£000
Profit before taxation	**106**	42
Profit before taxation multiplied by the standard rate of tax in the UK of 19% (2017: 19.25%)	**20**	8
Non-deductible expenses	**1**	16
Adjustment in respect of prior periods	**(46)**	30
Total tax (credit)/charge	**(25)**	54

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

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

6 Investment property

	Land and buildings £000
Cost	
At 1 January 2018 and 31 December 2018	**10,536**
Impairment	
At 1 January 2018 and 31 December 2018	**(95)**
Net book value	
At 1 January 2018 and 31 December 2018	**10,441**

In the prior year an exceptional impairment charge was included in the Profit and Loss Account as a result of construction costs for an extension on one of the properties above which was later aborted.

7 Property, plant and equipment

	Premises equipment £000	IT equipment £000	*Fixtures & fittings* £000	Motor Vehicles £000	*Total* £000
Cost					
Balance at 1 January 2018	234	156	164	12	566
Additions	5	80	180	-	265
At 31 December 2018	**239**	**236**	**344**	**12**	**831**
Accumulated depreciation					
Balance at 1 January 2018	226	116	112	10	464
Depreciation charge for the year	5	30	71	-	106
At 31 December 2018	**231**	**146**	**183**	**10**	**570**
Net book value					
At 31 December 2018	**8**	**90**	**161**	**2**	**261**
At 31 December 2017	8	40	52	2	102

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

8 Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	**783**	817
Prepayments and accrued income	**74**	148
Deferred tax assets	**2**	30
Corporation tax	**23**	-
	882	995

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

The deferred tax asset relates to accelerated capital allowances.

9 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to related parties	**2**	-
Trade creditors	**129**	51
Corporation tax	**-**	84
Accruals and deferred income	**52**	49
	183	184

10 Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
35,752 (2017: 35,752) Ordinary shares of 1p each	**-**	-

11 Parent undertaking and controlling party

As at 31 December 2018 the immediate parent undertaking was INEOS Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2018 was INEOS Limited, a company incorporated in Isle of Man. INEOS Group Holdings S.A. is the parent undertaking of the only group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings S.A. can be obtained from the Company Secretary, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg.

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.

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

12 Accounting estimates and judgements

The Company prepares its financial statements in accordance with FRS101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.