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INEOS ABS (UK) Limited

Annual report for the year ended 31 December 2012

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INEOS ABS (UK) Limited
Annual report
for the year ended 31 December 2012
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Directors' report for the year ended 31 December 2012

INEOS ABS (UK) Limited registered number 06312813

The directors present their report and audited financial statements of the company for the year ended 31 December 2012

Principal activity

The company's principal activity was the provision of marketing support services via its branches in Italy and Hong Kong. All activities were ceased as at the date of this report.

Review of business

During the year the company's branches provided marketing support services to former INEOS ABS subsidiary businesses in Italy and Hong Kong. The results were satisfactory during the year.

On 15 December 2011 the Hong Kong branch was closed and on 21 December 2012 the Italian branch was closed.

Results from both the Hong Kong and Italian branches have been reported as discontinued operations in these financial statements.

Basis of preparation

As a consequence of the closure of the branches outlined above the directors consider that the going concern basis is not appropriate and therefore these financial statements have been prepared on a break-up basis. There were no material adjustments to the value of assets and liabilities as a result.

Results and dividends

The loss for the financial year after taxation was €6,000 (2011: €228,600 profit). The directors do not recommend the payment of a dividend.

Donations

The company did not make any charitable or political donations.

Directors

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

Graeme Leask
Andrew Pizzey
Gerhard Franken

INEOS ABS (UK) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the 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 year. 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,
- 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.

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

By order of the board



Andrew Pizzey
Director

20 September 2013

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Independent auditors' report to the members of INEOS ABS (UK) Limited

We have audited the financial statements of INEOS ABS (UK) Limited for the year ended 31 December 2012 which comprise the profit and loss account, 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 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 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 of the financial and non-financial information in the annual 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 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 2012 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.

Emphasis of matter – basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures on page 7 of the financial statements concerning the going concern basis of accounting. The company has ceased trading and accordingly the going concern basis is no longer appropriate. Adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities

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arising from the decision to cease trading and to reclassify fixed assets and long-term liabilities as current assets and liabilities

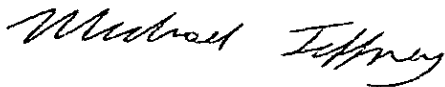
Opinion on other matter prescribed by the Companies Act 2006

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,
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Michael Jeffrey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 September 2013

INEOS ABS (UK) Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 €'000	2011 €'000
Turnover	1	304.5	1,048.5
Selling and distribution costs		(198.8)	(509.0)
Administrative expenses		(65.3)	(210.9)
Operating profit	2	40.4	328.6
Interest receivable and similar income	3	0.2	2.2
Interest payable and similar charges	4	-	(2.2)
Profit on ordinary activities before taxation		40.6	328.6
Taxation on profit on ordinary activities	5	(46.6)	(100.0)
(Loss)/profit for the financial year	13	(6.0)	228.6

All activities of the company relate to discontinued operations

There were no recognised gains or losses other than those included in the results above therefore no separate statement of total recognised gains and losses has been presented

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

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Balance sheet as at 31 December 2012

	Note	2012 €'000	2011 €'000
Fixed assets			
Intangible fixed assets	7	-	-
		-	-
Current assets			
Debtors	8	171.4	193.3
Cash at bank and in hand		112.6	251.1
		284.0	443.4
Creditors, amounts falling due within one year	9	(1.1)	(145.0)
Net current assets		282.9	291.4
Total assets less current liabilities		282.9	291.4
Provisions for liabilities and charges	10	-	(10.5)
Net assets		282.9	288.9
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	282.9	288.9
Total shareholders' funds	13	282.9	288.9

The financial statements on pages 5 to 14 were approved by the board of directors on 20 September 2013 and were signed on its behalf by



Andrew Pizzey
Director

INEOS ABS (UK) Limited

Statement of accounting policies

Basis of preparation

The Directors do not consider INEOS ABS (UK) Limited to be a going concern, and have therefore prepared the financial statements on a break up basis

The Directors have decided that the company's branches will cease trading, with a view to ceasing operations once all liabilities have been met. The process of terminating the company's activities began during 2011 and it is anticipated that the company be wound down in the foreseeable future

The break-up basis requires that

- i) assets are stated at their expected "break-up" value,
- ii) any long term assets and liabilities are reclassified as current assets and liabilities,
- iii) provision is made for closure costs and future trading losses, unless such costs are more than offset by expected future trading profits

The principal accounting policies, which have been applied consistently, are set out below

Turnover

Turnover, which is stated net of value added tax, represents amounts recovered for marketing support provided to other undertakings formerly in the INEOS ABS group of companies. Turnover is recognised on an accruals basis, at the point when the service is delivered

Foreign currency transactions

Foreign currency transactions in currencies other than Euros are recorded at the exchange rate ruling on the date of transaction. Monetary assets and liabilities in currencies other than Euros are translated into Euros at rates of exchange ruling at the balance sheet date. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year. Exchange gains and losses arising on translation of overseas branches are taken to reserves

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions 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. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax assets and liabilities which have been recognised have not been discounted

Goodwill

Goodwill represents the excess of cost of acquisitions of businesses over the fair value attributed to their net assets. Goodwill is capitalised as an intangible fixed asset and amortised through the profit and loss account on a straight line basis over its estimated useful economic life of 5 years. All intangible fixed assets are reviewed for impairment when there are indications that carrying value may not be fully recoverable

Cash flow statement

The company is controlled by INEOS Industries Holdings Limited and is ultimately consolidated within the financial statements of INEOS Industries Limited. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996)

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Operating leases

Costs in respect of operating leases are charged on a straight line basis to the profit and loss account over the lease term

Provisions for liabilities and charges

Provisions for employment related benefits payable to employees in Italy are recognised when there is a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation

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Notes to the financial statements for the year ended 31 December 2012

1 Turnover

	2012 €'000	2011 € 000
Geographical analysis		
Italy	304.5	592 2
Hong Kong	-	456 3
Total	304 5	1,048 5

2 Operating profit

This is stated after charging

	2012 €'000	2011 €'000
Operating leases – motor vehicles	12.1	19 2

The audit fee for the company is borne by INEOS Industries Holdings Limited

3 Interest receivable and similar income

	2012 €'000	2011 €'000
Bank interest receivable	0.2	2 2

4 Interest payable and similar charges

	2012 €'000	2011 €'000
Interest payable on loan from parent company	-	2 2

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5 Taxation on profit on ordinary activities

(a) Analysis of charge in the year

The tax charge is made up as follows

	2012 €'000	2011 €'000
Foreign tax		
Taxation payable on profits for the year	18.2	100 0
Adjustment in respect of prior years	28.4	-
Total current tax (Note 5(b))	46.6	100 0
Deferred tax		
Origination and reversal of timing differences	-	-
Taxation on profit on ordinary activities	46.6	100 0

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 €'000	2011 €'000
Profit on ordinary activities before taxation	40.6	328 6
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	9 9	85 4
Effects of		
Expenses not deductible for tax purposes	5 1	0 8
Adjustments in respect of prior years	28.4	-
Adjustment in respect of foreign tax rates	3.2	13 8
Tax charge for current year (Note 5(a))	46.6	100 0

(c) Factors that may affect future tax charges

On 20 March 2013, the Chancellor announced that the main rate of UK corporation tax will reduce from 24% to 23% with effect from 1 April 2013. As this change in the tax rate was substantively enacted prior to the year end, the effect on the deferred tax balances at 30 April 2013 has been included in the figures above.

In addition to the change in rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

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6 Directors and employees

None of the directors received any fees or remuneration for services as a director of the company during the financial year

Employee costs

	2012 €'000	2011 €'000
Wages and salaries	117.2	366.1
Social security costs	49.4	45.6
Pension costs	0.5	19.2
	167.1	430.9

The average monthly number of full time employees during the year was 1(2011: 1), employed in marketing activities

7 Intangible fixed assets

	Goodwill €'000	Other €'000	Total €'000
Cost			
At 1 January 2012	217.7	10.0	227.7
At 31 December 2012	217.7	10.0	227.7
Accumulated amortisation			
At 1 January 2012	217.7	10.0	227.7
At 31 December 2012	217.7	10.0	227.7
Net book amount			
At 31 December 2012	-	-	-
At 31 December 2011	-	-	-

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8 Debtors

	2012 €'000	2011 €'000
Amount owed by group undertakings	68.1	117.8
Other debtors	-	1.8
Prepayments and accrued income	103.3	73.7
	171.4	193.3

9 Creditors: amounts falling due within one year

	2012 €'000	2011 €'000
Trade creditors	1.1	4.4
Taxation and social security	-	48.9
Accruals and deferred income	-	91.7
	1.1	145.0

10 Provisions for liabilities and charges

	€'000
At 1 January 2012	10.5
Charged to profit and loss account during the year	0.5
Utilised during the year	(11.0)
At 31 December 2012	-

Provisions for liabilities and charges relate to certain employment related benefits for employees in the Italian branch

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11 Called up share capital

	2012 €	2011 €
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
1 ordinary share of £1 each	1	1

As the reporting currency of the company is the euro the share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance

12 Profit and loss account

	€'000
At 1 January 2012	288.9
Loss for the financial year	(6.0)
At 31 December 2012	282.9

13 Reconciliation of movement of shareholders' funds

	2012 €'000	2011 € 000
Opening shareholders' funds	288.9	61.3
(Loss) / profit for the financial year	(6.0)	228.6
Exchange adjustments	-	(1.0)
Closing shareholders' funds	282.9	288.9

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14 Financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases for motor vehicles as follows

	2012 €'000	2011 €'000
Expiring in less than one year	-	7 0
Expiring between two and five years	-	-
	-	7 0

15 Reporting currency

The financial statements are expressed in Euros as the company primarily generates income, incurs expenditure and have the majority of their assets and liabilities denominated in Euros

The exchange rate as at 31 December 2012 was €1 2356 /£1 (2011 €1 1949 /£1)

16 Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No 8 "Related party disclosures" on the grounds that it is a wholly owned subsidiary of a group headed by INEOS Industries Limited whose accounts are publicly available, and has not disclosed transactions with group companies There were no other related party transactions in the year

17 Ultimate parent undertaking and controlling party

The directors regard INEOS Industries Holdings Limited, a company incorporated in the United Kingdom, to be the immediate parent undertaking of the company

The ultimate parent undertaking is INEOS Industries Limited, which is the smallest and largest group of undertakings to consolidate these financial statements Copies of the financial statements of INEOS Industries Limited can be obtained from the Company Secretary, INEOS Industries Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG

The ultimate controlling party is Mr J A Ratcliffe, director and majority shareholder in INEOS Industries Limited