

**INEOS Manufacturing (Hull) Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2010**

**Registered Number 6480046**



INEOS Manufacturing (Hull) Limited  
Annual report and financial statements  
for the year ended 31 December 2010  
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# **INEOS Manufacturing (Hull) Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

### **Principal activities and review of the business**

The principal activity of the company is the toll manufacture of chemicals at the site in Hull

Turnover for the year was £37.8m (2009 £34.7m) and the profit on ordinary activities before taxation was £0.7m (2009 loss of £0.1m). The directors do not recommend the payment of a dividend (2009 £nil), and the profit for the financial year will be added to reserves.

On 26 March 2010 the company's ultimate parent company became INEOS AG, a company registered in Switzerland. Prior to this date the company's ultimate parent company was INEOS Limited.

### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continuing financial support of the group company, INEOS Holdings Limited. The directors have received confirmation that INEOS Holdings Limited intend to support the company for at least one year after these financial statements are signed.

### **Future outlook**

The directors do not expect any change in the company's activities during the next financial year, and the company remains well placed to take advantage of the opportunities that are expected to arise in 2011.

### **Financial risk management**

The company is not exposed to any significant financial risks. The financial risks of INEOS Limited, which includes the company, are discussed in the group's annual report, which does not form part of this report.

### **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. The development, performance and position of INEOS Limited, which includes the company, are discussed in the group's annual report, which does not form part of this report.

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of INEOS Limited, which include those of the company, are discussed in the group's annual report which does not form part of this report.

### **Directors**

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

GB Stewart  
H Deans  
GS Corsi  
K Metcalfe  
PC Overment

# INEOS Manufacturing (Hull) Limited

## Directors' report for the year ended 31 December 2010 (continued)

### Statement of directors' responsibilities in respect of the annual report and the financial statements

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 elected to prepare the financial statements in accordance with UK 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 those 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.

### 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. The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board



M Stokes  
Company secretary  
22 July 2011

# INEOS Manufacturing (Hull) Limited

## Independent auditors' report to the members of INEOS Manufacturing (Hull) Limited

We have audited the financial statements of INEOS Manufacturing (Hull) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' deficit, the balance sheet, 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 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.

### 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 2010 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.



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

22 July 2011

# INEOS Manufacturing (Hull) Limited

## Profit and loss account for the year ended 31 December 2010

	Note	2010 £m	2009 £m
<b>Turnover</b>	2	37 8	34 7
Cost of sales		(35 5)	(34 3)
<b>Gross profit</b>		2 3	0 4
Administrative expenses		-	-
<b>Operating profit</b>	1	2 3	0 4
Interest payable and similar charges	5	(1 6)	(0 5)
<b>Profit/(loss) on ordinary activities before taxation</b>		0 7	(0 1)
Tax on loss on ordinary activities	6	(0 6)	-
<b>Profit/(loss) for the financial year</b>	13	0 1	(0 1)

All of the activities of the company relate to continuing operations

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

## INEOS Manufacturing (Hull) Limited

### Statement of total recognised gains and losses for the year ended 31 December 2010

	2010 £m	2009 £m
Profit/(loss) for the financial year	0.1	(0.1)
Actuarial loss recognised in the pension scheme (note 15)	(0.1)	(0.3)
Movement in deferred tax relating to pension liability	0.1	0.1
<b>Total recognised gains and losses for the financial year</b>	<b>0.1</b>	<b>(0.3)</b>

### Reconciliation of movements in shareholders' deficit for the year ended 31 December 2010

	2010 £m	2009 £m
Profit/(loss) for the financial year	0.1	(0.1)
Actuarial loss recognised in the pension scheme (note 15)	(0.1)	(0.3)
Movement in deferred tax relating to pension liability	0.1	0.1
<b>Net decrease/(increase) in shareholders' deficit</b>	<b>0.1</b>	<b>(0.3)</b>
Opening shareholders' deficit	(0.8)	(0.5)
<b>Closing shareholders' deficit</b>	<b>(0.7)</b>	<b>(0.8)</b>

# INEOS Manufacturing (Hull) Limited

## Balance sheet as at 31 December 2010

	Note	2010 £m	2009 £m
<b>Fixed assets</b>			
Positive goodwill	7	0.2	0.2
Negative goodwill	7	(1.3)	(1.4)
Intangible assets	7	(1.1)	(1.2)
Tangible assets	8	24.5	19.0
		23.4	17.8
<b>Current assets</b>			
Stocks	9	3.7	3.2
Debtors	10	9.6	6.8
Cash at bank and in hand		0.9	0.6
		14.2	10.6
<b>Creditors – amounts falling due within one year</b>	11	(37.4)	(28.3)
<b>Net current liabilities</b>		(23.2)	(17.7)
<b>Total assets less current liabilities</b>		0.2	0.1
<b>Net assets excluding pension liability</b>		0.2	0.1
Pension liability	15	(0.9)	(0.9)
<b>Net liabilities including pension liability</b>		(0.7)	(0.8)
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss reserve	13	(0.7)	(0.8)
<b>Total shareholders' deficit</b>		(0.7)	(0.8)

The notes on pages 4 to 17 form part of the Financial statements. They were approved by the board of directors on 22 July 2011 and are signed on its behalf by



GS Corsi  
Director



# INEOS Manufacturing (Hull) Limited

## Statement of accounting policies

### Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The principal accounting policies are set out below. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continuing financial support of the group company, INEOS Holdings Limited. The directors have received confirmation that INEOS Holdings Limited intends to support the company for at least one year after these financial statements are signed.

### Turnover

Turnover represents the sales value of goods and services supplied to customers during the year excluding Value Added Tax and similar sales based taxes. Turnover is recognised at the point at which title passes or services have been provided.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed 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 typical effective lives of assets are

Freehold buildings	-	30 to 50 years
Plant and machinery		
• Major items of plant	-	10 to 20 years
• Major plant overhauls	-	2 to 4 years
• Motor vehicles	-	5 years
• Fixtures, fittings and equipment	-	5 to 10 years
• Computer hardware and major software	-	2 to 4 years

Freehold land is not depreciated.

Precious metals are not normally depreciated, but are subject instead to an annual impairment review.

Any impairment in the value of tangible fixed assets, calculated by discounting estimated future cash flows, is dealt with in the profit and loss account in the year to which the impairment relates.

### Intangible fixed assets

When the fair value of the separable net assets is less than the fair value of the consideration for acquired trade and assets, the difference is treated as goodwill and is capitalised and amortised through the profit and loss account on a straight-line basis over its estimated useful life, which is typically 15 years.

Negative goodwill arises when the fair value of the separable net assets is greater than the fair value of the consideration for acquired trade and assets. The amortisation process is the same as for goodwill.

### Stocks

Stocks are valued on a first in, first out basis and are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving, and defective stocks.

# INEOS Manufacturing (Hull) Limited

## Statement of Accounting policies (continued)

### Pension costs

The company participates in a defined benefit pension scheme providing benefits based on final pensionable pay and the assets of this scheme are held separately from those of the company. The pension scheme is a multi-employer pension scheme for employees of the company and INEOS Enterprises Limited, INEOS Chlor Limited (renamed INEOS ChlorVinyls Limited on 28 June 2011) and INEOS Technologies Limited.

The current service cost of pension provision and any costs of benefits relating to past service are charged against operating profit for the year. A charge equal to the increase in present value of the pension scheme liabilities and a credit equal to the long-term expected return on pension scheme assets at the start of the year are included as 'other finance income' in the profit and loss account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. The surplus or deficit in the pension scheme, net of any related deferred tax, is shown in the balance sheet.

The method used to split the defined benefit pension scheme results between the company, INEOS Enterprises Limited, INEOS Chlor Limited and INEOS Technologies Limited is consistent with the approach used in the financial statements of the other participating companies and is as follows:

- the total active liabilities have been split based on the proportion of their respective payrolls versus the payroll of the Fund in total. As INEOS Chlor Limited constitutes the largest percentage of the Fund's liabilities, the inactive members' liabilities are allocated to INEOS Chlor Limited.
- the plan assets are allocated between the entities based on the allocation of the liabilities between the various entities.
- the expected 2010 service cost has been allocated between the various entities based on the ratio of the respective active liabilities versus the total active liability for the Fund.
- the split of the actual 2010 contributions was either provided by the entities or reasonable assumptions were made to split these between the various entities. As all pensioner liabilities are allocated to INEOS Chlor Limited, all benefit payments are assumed to be paid by INEOS Chlor Limited.

The directors believe that this approach represents a consistent and reasonable basis of accounting for the scheme, bearing in mind that the next full actuarial valuation will take place as at 31 December 2010.

### 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 years 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.

### Foreign currencies

The reporting currency of INEOS Manufacturing (Hull) Limited is the local currency of its principal operating environment. Transactions in other currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in the balance sheet are translated at the prevailing exchange rate at the end of the year. All translation gains or losses on the settlement of monetary assets and liabilities are included in the determination of profit for the year.

### Leases

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

### Cash flow statement and related party disclosures

The company is a subsidiary of INEOS Limited and its results are included in the consolidated financial statements of INEOS Limited, which are available to the public. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). Also, under the terms of Financial Reporting Standard 8 the company is exempt from disclosing related party transactions with entities that form part of the INEOS Limited group and the company has taken advantage of this exemption.

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts

### 1 Operating profit

Operating profit is stated after charging/(crediting):

	2010 £m	2009 £m
Auditors' remuneration		
Audit fees	-	-
Non-audit services	-	-
Depreciation	1.9	1.6
Amortisation		
Goodwill	(0.1)	(0.1)
Research and development costs	-	-
Rentals payable under operating leases		
Other than plant and machinery	1.7	1.3

The audit fee for 2010 was £18,000 (2009 £16,000)

### 2 Segmental information

All turnover (both by origin and destination), operating profit and total assets less current liabilities is derived from UK activity

### 3 Directors' emoluments

None of the directors (2009 none) received any remuneration from the company during the year

### 4 Staff numbers and costs

There are no persons holding service contracts with the company. All employees are employed by another Group company, INEOS Enterprises Limited, and recharged in full to INEOS Manufacturing (Hull) Limited.

The average monthly number of people employed by the company (including directors) during the year was as follows

Analysis by function	2010 Number	2009 Number
Production	41	41
Administration	2	2
	43	43

The aggregate payroll costs of these people were as follows

	2010 £m	2009 £m
Wages and salaries	1.9	1.8
Social security costs	0.2	0.2
Other pension costs (note 15)	0.3	0.4
	2.4	2.4

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

### 5 Interest payable and similar charges

	2010 £m	2009 £m
Interest payable on loans from group undertakings	1.4	0.4
Other interest and similar charges	-	0.3
Exchange (gains)/losses	0.2	(0.2)
Net interest payable	1.6	0.5

### 6 Tax on loss on ordinary activities

a) Analysis of the charge for the year	2010 £m	2009 £m
UK corporation tax on profits for the year	1.3	0.4
Deferred taxation – origination and reversal of timing differences	(0.7)	(0.4)
	0.6	-

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

The tax assessed for the year is higher (2009 higher) than the standard rate of corporation tax in the UK. The differences are explained below.

	2010 £m	2009 £m
<b>Profit/(loss) on ordinary activities before taxation</b>	0.7	(0.1)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	0.2	-
Effects of		
Capital allowances in excess of depreciation	0.5	0.4
Adjustments in respect of previous periods	0.6	-
Current tax charge for year	1.3	0.4

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

During the year, a change in the UK corporation tax rate from 28% to 27% was substantively enacted and the reduced rate will be effective from 1 April 2011. The relevant deferred tax balances have been re-measured accordingly.

In the 2011 Budget on 23 March 2011, the UK Government announced its intention to reduce the UK corporation tax rate to 26% from 1 April 2011. Further reductions to the UK corporation tax rate have been announced which will reduce the UK corporation tax rate by 1% per annum until this reaches 23% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Had the change in tax rate to 23% been substantively enacted as of the balance sheet date, the deferred tax asset would reduce by approximately £0.3m.

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

### (d) Deferred Taxation

The amounts provided in respect of the deferred tax assets are as follows

	2010 Provided £m	2009 Provided £m
Arising from accelerated capital allowances (note 10)	1 4	0 7
Pensions (note 15)	0 4	0 3
Total	1 8	1 0

Deferred tax asset relating to pension deficit

	2010 £m	2009 £m
At 1 January 2010	0 3	0 2
Deferred tax charge in profit and loss account	-	-
Deferred tax credited to the statement of total recognised gains and losses	0 1	0 1
At 31 December 2010	0 4	0 3

The deferred tax asset of £0 4m (2009 £0 3m) has been deducted in arriving at the net pension deficit on the balance sheet

Movements during the year in respect of total deferred tax were as follows

	2010 Provided £m	2009 Provided £m
At 1 January 2010	1 0	0 5
Arising during the year	0 8	0 5
At 31 December 2010	1 8	1 0

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

### 7 Intangible assets

	Positive Goodwill £m	Negative Goodwill £m	Total £m
<b>Cost</b>			
At 1 January 2010	0.2	(1.6)	(1.4)
Additions	-	-	-
<b>At 31 December 2010</b>	<b>0.2</b>	<b>(1.6)</b>	<b>(1.4)</b>
<b>Accumulated amortisation</b>			
At 1 January 2010	-	(0.2)	(0.2)
Charge for the year	-	(0.1)	(0.1)
<b>At 31 December 2010</b>	<b>-</b>	<b>(0.3)</b>	<b>(0.3)</b>
<b>Net Book Value</b>			
<b>At 31 December 2010</b>	<b>0.2</b>	<b>(1.3)</b>	<b>(1.1)</b>
At 31 December 2009	0.2	(1.4)	(1.2)

### 8 Tangible fixed assets

	Land and buildings £m	Plant and machinery £m	Total £m
<b>Cost</b>			
At 1 January 2010	1.5	20.0	21.5
Additions	-	7.4	7.4
<b>At 31 December 2010</b>	<b>1.5</b>	<b>27.4</b>	<b>28.9</b>
<b>Accumulated depreciation</b>			
At 1 January 2010	-	2.5	2.5
Charge for year	-	1.9	1.9
<b>At 31 December 2010</b>	<b>-</b>	<b>4.4</b>	<b>4.4</b>
<b>Net book value</b>			
<b>At 31 December 2010</b>	<b>1.5</b>	<b>23.0</b>	<b>24.5</b>
At 31 December 2009	1.5	17.5	19.0

Land and buildings relates to freehold land. There is no difference between the book value and market value of Land and buildings.

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

### 9 Stocks

	2010 £m	2009 £m
Raw materials and consumables	3.7	3.2

### 10 Debtors

	2010 £m	2009 £m
<b>Amounts falling due within one year</b>		
Amounts owed by fellow group undertakings	5.3	3.5
Deferred taxation (note 6)	1.4	0.7
Other debtors	2.3	1.2
Prepayments and accrued income	0.6	1.4
	9.6	6.8

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

	2010 £m	2009 £m
Trade creditors	3.0	1.2
Amounts owed to fellow group undertakings	30.2	22.5
Group relief payable	2.1	0.8
Accruals	2.1	3.8
	37.4	28.3

### 12 Called up share capital

Ordinary shares of £1 each	2010 Number	2010 £	2009 Number	2009 £
Authorised	100	100	100	100
Allotted, issued and fully paid	1	1	1	1

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

### 13 Profit and loss reserve

	2010 £m	2009 £m
At 1 January 2010	(0 8)	(0 5)
Profit/(loss) for the financial year	0 1	(0 1)
Actuarial loss in pension scheme (note 15)	(0 1)	(0 3)
Movement in deferred tax relating to pension liability	0 1	0 1
At 31 December 2010	(0 7)	(0 8)

### 14 Commitments and contingent liabilities

#### Annual operating lease commitments

At 31 December 2010 the Company had annual commitments under non-cancellable operating leases for assets expiring as follows

	Other 2010 £m	Other 2009 £m
Leases which expire		
Within one year	0 1	0 1
Between one and two years	-	-
Between two and five years	-	-
	0 1	0 1



# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

### 15 Retirement benefits

The majority of the employees participate in the INEOS Chlor Pension Fund ("The Fund"). The Fund is administered by a group of trustees with assets being held separately from the company. Members receive defined benefit pensions that are based on their length of service and average final remuneration with the company.

The most recent actuarial valuation of the fund was carried out as at 31 December 2007 (updated to 31 December 2010). The valuation of the scheme used the projected unit method and was carried out by Towers Watson LLP, professionally qualified actuaries. The principal assumptions made by the actuaries were:

	2010 % pa	2009 % pa	2008 % pa
Price inflation	3.6	3.6	3.1
Discount rate for scheme liabilities	5.5	5.7	6.1
Rate of increases in salaries	4.6	4.6	4.6
Rate of increase of pensions in payment	3.5	3.5	3.1
Rate of increase for deferred pensioners	2.9	3.5	3.1

Material demographic assumptions

	2010 years	2009 years
Expected future lifetime at age 65 for a male currently aged 65	20.3	19.1

The assets and liabilities in the scheme and the expected rates of return were:

	31 December 2010		31 December 2009		31 December 2008	
	Expected rate of return % pa	Fair Value £m	Expected rate of return % pa	Fair Value £m	Expected rate of return % pa	Fair Value £m
Equities	8.1	1.4	8.1	1.2	8.2	0.7
Bonds	4.8	0.2	5.1	0.2	5.2	0.2
Other	8.1	0.3	4.3	-	4.0	-
Total fair value of assets	7.8	1.9	7.6	1.4	7.5	0.9
Actuarial value of scheme liabilities		(3.2)		(2.6)		(1.7)
Deficit in the scheme		(1.3)		(1.2)		(0.8)
Related deferred tax asset		0.4		0.3		0.2
Net pension liability		(0.9)		(0.9)		(0.6)

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

Reconciliation of present value of scheme liabilities	2010 £m	2009 £m
At 1 January 2010	2.6	1.7
Interest cost	0.1	0.1
Current service cost	0.3	0.4
Actuarial loss/(gain)	0.2	0.4
<b>At 31 December 2010</b>	<b>3.2</b>	<b>2.6</b>

Reconciliation of fair value of scheme assets	2010 £m	2009 £m
At 1 January 2010	1.4	0.9
Actual company contributions	0.3	0.3
Expected return on plan assets	0.1	0.1
Actuarial gain/(loss)	0.1	0.1
<b>At 31 December 2010</b>	<b>1.9</b>	<b>1.4</b>

Analysis of the amount charged to operating profit	2010 £m	2009 £m
Current service cost	0.3	0.4
<b>Total operating charge</b>	<b>0.3</b>	<b>0.4</b>

Analysis of the amount charged to other finance costs	2010 £m	2009 £m
Expected return on pension scheme assets	0.1	0.1
Interest on pension scheme liabilities	(0.1)	(0.1)
<b>Net charge</b>	<b>-</b>	<b>-</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy

# INEOS Manufacturing (Hull) Limited

## Notes to the accounts (continued)

Analysis of amounts recognised in the statement of total recognised gains and losses	2010 £m	2009 £m
Actual return less expected return on pension fund assets	0.1	-
Experience losses arising on fund liabilities	-	-
(Losses)/Gains on change of financial and demographic assumptions	(0.2)	(0.3)
Actuarial loss recognised in the statement of total recognised gains and losses	(0.1)	(0.3)

Movement in deficit during the period	2010 £m	2009 £m
Deficit in the fund at beginning of period	(1.2)	(0.8)
Contributions paid	0.3	0.3
Current service cost	(0.3)	(0.4)
Transfer in on acquisition	-	-
Other finance costs	-	-
Actuarial loss	(0.1)	(0.3)
Deficit in the fund at end of period, before allowance for deferred tax	(1.3)	(1.2)

History of experience gains and losses	2010	2009	2008
Difference between the actual and expected return on fund assets			
Amount	£0.1m	£0.1m	(£1.3m)
% of fund assets at end of period	5.3%	7.1%	(144.4%)
Experience gains/(losses) on fund liabilities			
Amount	£nil	£nil	£nil
% of fund liabilities at end of period	-	-	-

## 16 Ultimate parent company and ultimate controlling party

The Company's immediate parent undertaking is INEOS European Holdings Limited, a company registered in England and Wales.

At 31 December 2009, the Company's ultimate parent company was INEOS Limited, a company registered in England and Wales. On 26 March 2010, INEOS Limited was acquired by INEOS AG, a company registered in Switzerland. INEOS AG became the Company's ultimate parent company from this date.

INEOS Group Holdings PLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2010.

The largest group that consolidates the Company's financial statements is INEOS Limited, a subsidiary of INEOS AG. The consolidated financial statements of INEOS Limited and INEOS Group Holdings PLC are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG, United Kingdom.

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