

INEOS ChlorVinyls Holdings Limited
Annual report
For the year ended 31 December 2012

Registered Number 07085121



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Annual Report
for the year ended 31 December 2012
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INEOS ChlorVinyls Holdings Limited

Directors' report for the year ended 31 December 2012

The Directors present their report and the audited financial statements of INEOS ChlorVinyls Holdings Limited (the "Company") for the year ended 31 December 2012

Principal activities

The principal activity of the Company is to act as a holding company

Review of the business

The results of the Company are set out in the profit and loss account on page 4 which shows a loss before taxation of €11.4 million (2011: €9.6 million)

Subsequent to the year end, the Company has received a dividend from INEOS Vinyls UK Ltd of £98.8 million. In addition the Company has made a capital contribution of £98.8 million to INEOS ChlorVinyls Limited. The Company has also received a dividend from INEOS Industrial Investments Limited of £20.5 million and paid a dividend to INEOS Norway SPV Limited of €2.5 million.

Future outlook

There are no immediate plans for a change in the Company's operations.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Directors

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

CE Tane
MJ Maher
JD Taylorson
GGJ Decadt
K Metcalfe

Directors' indemnities

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertaking, has maintained cover for its directors and officers under a directors' and officers' liability insurance policy as permitted 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 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

INEOS ChlorVinyls Holdings Limited

Directors' report for the year ended 31 December 2012 (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. As a consequence of the Company having passed a written shareholder resolution, there is no requirement to reappoint PricewaterhouseCoopers LLP as auditors of the Company on an annual basis.

By order of the Board



M J Maher
Director
25 June 2013

INEOS ChlorVinyls Holdings Limited

Independent auditors' report to the members of INEOS ChlorVinyls Holdings Limited

We have audited the financial statements of INEOS ChlorVinyls Holdings Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet 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 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

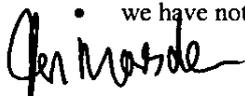
Opinion on other matter prescribed by the Companies Act 2006

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



Ian Marsden (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

25 June 2013

INEOS ChlorVinyls Holdings Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 €m	2011 €m
Operating loss	2	-	-
Amounts written off investments	6	(0.7)	-
Interest payable and similar charges	4	(10.7)	(9.6)
Loss on ordinary activities before taxation		(11.4)	(9.6)
Tax on loss on ordinary activities	5	2.8	2.5
Loss for the financial year	10	(8.6)	(7.1)

All activities of the Company relate to continuing operations

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

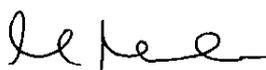
The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of recognised gains and losses has been presented

INEOS ChlorVinyls Holdings Limited

Balance sheet as at 31 December 2012

	Note	2012 €m	2011 €m
Fixed asset investment	6	67.4	70.5
Current assets			
Debtors – amounts falling due within one year	7	7.5	4.7
Net current assets		7.5	4.7
Total assets less current liabilities		74.9	75.2
Creditors – amounts falling due after more than one year	8	(96.3)	(88.0)
Net liabilities		(21.4)	(12.8)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	(21.4)	(12.8)
Total shareholder's deficit		(21.4)	(12.8)

The financial statements on pages 4 to 9 were approved by the Board of Directors on 25 June 2013 and are signed on its behalf by



MJ Maher
Director

INEOS ChlorVinyls Holdings Limited

Registered Number 07085121

INEOS ChlorVinyls Holdings Limited

Notes to the financial statements

1 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 financial statements 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 2 “Accounting for Subsidiary Undertakings” and in accordance with Section 400 of the Companies Act 2006, the Company is exempt from preparing Group financial statements. The financial statements present information about the Company as an individual undertaking.
- 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 currency

The functional currency of the Company is the local currency of its principal operating environment. 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.

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value. All investments are reviewed for impairment when there are indications that the carrying values may not be fully recoverable.

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. A deferred tax 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 ChlorVinyls Holdings Limited

Notes to the financial statements (continued)

2 Operating loss

Auditors' remuneration of €1,500 (2011 €1,500) was borne by a fellow group undertaking

3 Staff numbers and costs

The Company has no employees, other than the directors, during the year or the previous year

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

4 Interest payable and similar charges

	2012 €m	2011 €m
Interest payable to group undertakings	10.7	9.6

5 Tax on loss on ordinary activities

(a) Analysis of the credit for the year

	2012 €m	2011 €m
Current tax:		
UK corporation tax at 24.5% (2011 26.5%) – current year	2.8	2.5
Tax credit on loss on ordinary activities	2.8	2.5

(b) Factors affecting the tax credit for the year

The tax assessed for the year is equal to the standard rate of corporation tax in the UK

(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 26% to 24% from 1 April 2012. A further reduction to 23% from 1 April 2013 was substantively enacted by The Finance Act 2012 on 3 July 2012.

Further reductions to the UK corporation tax rate were announced in the 2013 Budget on 20 March 2013 which proposed to reduce the rate to 21% from 1 April 2014, and to 20% by 1 April 2015. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

INEOS ChlorVinyls Holdings Limited

Notes to the financial statements (continued)

6 Fixed asset investments

	Shares £m
At 1 January 2012	70.5
Dividend received from subsidiary undertaking	(2.4)
Amounts written off investments	(0.7)
At 31 December 2012	67.4

The direct subsidiary undertakings of INEOS ChlorVinyls Holdings Limited at 31 December 2012 were as follows

Entity	Country of registration or incorporation	Principal activity	Class/percentage of shares held
INEOS Vinyls UK Ltd	UK	Non-trading	Ordinary/100%
INEOS Chlor Newco 2 Limited	UK	Holding company	Ordinary/100%
INEOS Vinyls GmbH & Co KG	Germany	Holding company	Limited partner with a 100% economic interest
INEOS Compounds Switzerland AG	Switzerland	PVC compounds manufacturer	Ordinary/100%
INEOS Vinyls Finance Limited	UK	Non-trading	Ordinary/100%
INEOS ChlorVinyls Holdings SAS	France	Holding company	Ordinary/100%
INEOS Industrial Investments Limited	UK	Non-trading	Ordinary/100%

7 Debtors – amounts falling due within one year

	2012 €m	2011 €m
Corporation tax – group relief	7.5	4.7

8 Creditors – amounts falling due after more than one year

	2012 €m	2011 €m
Amounts owed to group undertakings	96.3	88.0

The amounts owed to group undertakings incur interest at 11.5% per annum

INEOS ChlorVinyls Holdings Limited

Notes to the financial statements (continued)

9 Called up share capital

	2012		2011	
	Number	€	Number	€
Allotted, issued and fully paid				
Ordinary shares of £1 each	100	112	100	112

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

10 Reserves

Profit and loss account	€m
At 1 January 2012	(12.8)
Loss for the financial year	(8.6)
At 31 December 2012	(21.4)

10 Post balance sheet events

Subsequent to the year end, the Company has received a dividend from INEOS Vinyls UK Ltd of £98.8 million. In addition the Company has made a capital contribution of £98.8 million to INEOS ChlorVinyls Limited. The Company has also received a dividend from INEOS Industrial Investments Limited of £20.5 million and paid a dividend to INEOS Norway SPV Limited of €2.5 million.

11 Ultimate parent company and ultimate controlling party

The intermediate parent undertaking is INEOS Norway SPV 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 Ratcliffe to be the ultimate controlling party by virtue of his shareholding in INEOS AG.