

**INEOS Chlor Sales International Limited**  
**Annual report**  
**for the year ended 31 December 2009**

**Registered Number 3934724**

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# INEOS Chlor Sales International Limited

## Annual report

for the year ended 31 December 2009

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# **INEOS Chlor Sales International Limited**

## **Directors' report for the year ended 31 December 2009**

The Directors present their report and the audited financial statements for the year ended 31 December 2009

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

The Company's principal activity is the operation of a sales office

Turnover for the year was £344,000 (2008 £368,000) and the profit on ordinary activities before taxation was £27,000 (2008 £56,000). The Directors do not recommend the payment of a dividend (2008 £nil)

### **Future outlook**

At the end of the year the Company remained well placed to take advantage of the opportunities which were expected to arise in 2010

### **Financial risk management**

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

### **Key performance indicators ("KPIs")**

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

### **Directors**

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

CE Tane  
AJ Reed  
MJ Maher  
O Schnurr  
JD Murtagh

### **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 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

# **INEOS Chlor Sales International Limited**

## **Directors' report for the year ended 31 December 2009 (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**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office

By order of the Board

A handwritten signature in black ink, appearing to be 'P F Nichols', written over a horizontal line.

P F Nichols  
**Company Secretary**  
17 September 2010

# **INEOS Chlor Sales International Limited**

## **Independent Auditors' report to the members of INEOS Chlor Sales International Limited**

We have audited the financial statements of INEOS Chlor Sales International Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the statement of total recognised gains and losses 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 Directors' Responsibilities Statement set out on page 1, 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 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 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 2009 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.



**Paul Christian (Senior Statutory Auditor)**

For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Liverpool

17 September 2010

# INEOS Chlor Sales International Limited

## Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover		344	368
Staff Costs	3	(259)	(191)
Other operating charges		(58)	(121)
<b>Profit on ordinary activities before taxation</b>	1	27	56
Tax on profit on ordinary activities	4	8	(14)
<b>Profit for the financial year</b>		35	42

All turnover and the profits for the financial years arose from continuing operations

There is no difference between the profits for the years and their historical cost equivalents

## Statement of total recognised gains and losses for the year ended 31 December 2009

	2009 £'000	2008 £'000
Profit for the financial year	35	42
Exchange translation effect on net assets of overseas branch	(52)	141
<b>Total recognised gains and losses for the financial year</b>	(17)	183

## Reconciliation of movements in shareholders' funds for the year ended 31 December 2009

	2009 £'000	2008 £'000
Profit for the financial year	35	42
Other recognised gains and losses	(52)	141
Net (decrease)/increase in equity shareholders' funds	(17)	183
Shareholders' funds at the start of the year	1,011	828
<b>Shareholders' funds at the end of the year</b>	994	1,011

# INEOS Chlor Sales International Limited

## Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	5	-	1
<b>Current assets</b>			
Debtors – amounts falling due within one year	6	898	897
Cash at bank and in hand		105	136
		1,003	1,033
Creditors – amounts falling due within one year	7	(9)	(23)
<b>Net current assets</b>		994	1,010
<b>Total assets less current liabilities</b>		994	1,011
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	994	1,011
<b>Total shareholders' funds</b>		994	1,011

The financial statements on pages 4 to 10 were approved by the Board of Directors on 17 September 2010 and are signed on its behalf by



MJ Maher  
Director

INEOS Chlor Sales International Limited

Registered Number 3934724

# INEOS Chlor Sales International Limited

## Statement of accounting policies

### Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom and the accounting policies set out below

### Turnover

Turnover represents the sales value of services supplied to customers during the year. It excludes VAT and similar sales based taxes. Revenue is recognised at the point at which services have been provided.

### Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation on all tangible fixed assets is calculated so as to write off the historic cost of the assets on a straight line basis over their useful economic lives. The typical effective lives of assets are 3 years.

### Leases

Rental costs associated with operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

### Pension costs

The Company participates in a defined contribution pension scheme in Hong Kong. Contributions to this Mandatory Provident Fund are charged to the profit and loss account in the period to which they relate.

### 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 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.

No provision is made to cover any further liability to taxation which could arise in respect of the distribution of profits retained by overseas subsidiary undertakings or branches.

### Foreign currencies

Results and assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. The net difference arising from the restatement of the net assets of overseas branches at the beginning of the financial year, using the exchange rates prevailing at the end of the financial year, is taken directly to reserves.

### 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 various exemptions from reporting requirements.

- Under the terms of Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" the Company is exempt from preparing a cash flow statement.
- Under the terms of Financial Reporting Standard 8 "Related Party Disclosures" the Company is exempt from disclosing related party transactions with entities that form part of the INEOS Limited group.



# INEOS Chlor Sales International Limited

## Notes to the financial statements

### 1 Profit on ordinary activities before taxation

	2009 £'000	2008 £'000
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Land and buildings - rentals payable under operating leases	21	33

Auditors' remuneration for the year and the previous year was borne by a fellow group undertaking

### 2 Directors' emoluments

None of the Directors received any emoluments in respect of services to the Company during the year (2008 £nil)

### 3 Staff numbers and costs

The average number of people employed by the Company (excluding Directors) during the year was 2 (2008 3)

The aggregate payroll costs of these people were as follows

	2009 £'000	2008 £'000
Wages and salaries	246	173
Pension costs	13	18
	259	191

### 4 Tax on profit on ordinary activities

<b>a) Analysis of the tax (credit)/charge for the year</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Corporation tax at 28% (2008 28.5%)	8	16
Double tax relief	(5)	(10)
	3	6
Adjustment in respect of prior years	(11)	8
Current tax (credit)/charge	(8)	14

# INEOS Chlor Sales International Limited

## Notes to the financial statements (continued)

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

The tax assessed for the year is lower (2008 lower than) the standard rate of corporation tax in the UK. The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	27	56
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	8	16
Effect of		
Adjustment in respect of prior years	(11)	8
Double tax relief	(5)	(10)
Current tax (credit)/charge for the year	(8)	14

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

The UK Government announced on 22 June 2010 the gradual reduction in the main rate of corporation tax from 28% to 24% over 4 years from 1 April 2011. In addition they announced a slight reduction in the main capital allowance rate from 20% to 18% from 1 April 2012.

Note, the above does not have any implication in respect of current accounting as it has not been substantively enacted.

### d) Deferred taxation

The amounts provided and not provided in respect of the deferred tax asset are as follows

	2009		2008	
	Provided £'000	Not provided £'000	Provided £'000	Not provided £'000
Arising from accelerated capital allowances	-	3	-	2

The potential deferred tax asset of £3,000 (2008 £2,000) has not been recognised because it is not certain that the benefit will crystallise in the foreseeable future.

# INEOS Chlor Sales International Limited

## Notes to the financial statements (continued)

### 5 Tangible assets

	Office equipment and fittings £'000
<b>Cost</b>	
At 1 January 2009	46
Disposals	(42)
At 31 December 2009	4
<b>Accumulated depreciation</b>	
At 1 January 2009	45
Charge for the year	1
Disposals	(42)
At 31 December 2009	4
<b>Net book value</b>	
At 31 December 2009	-
At 31 December 2008	1

### 6 Debtors – amounts falling due within one year

	2009 £'000	2008 £'000
Amount owed by fellow group undertakings	888	877
Other debtors	-	13
Corporation tax – group relief	8	-
Prepayments	2	7
	898	897

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

	2009 £'000	2008 £'000
Other creditors	9	11
Corporation tax – group relief	-	12
	9	23

# INEOS Chlor Sales International Limited

## Notes to the financial statements (continued)

### 8 Share capital

	Authorised		Allotted, issued and fully paid	
	2009	2008	2009	2008
	£	£	£	£
Ordinary shares of £1 each	100,000	100,000	100	100

### 9 Reserves

Profit and loss account	£'000
At 1 January 2009	1,011
Profit for the financial year	35
Exchange translation effects	(52)
At 31 December 2009	994

### 10 Commitments

Annual operating lease commitments – property leases which expire:	2009	2008
	£'000	£'000
Within one year	-	12

### 11 Ultimate Parent Company and Ultimate Controlling Party

At 31 December 2009, the Company was a subsidiary undertaking of INEOS Chlor Limited, a company registered in England and Wales. The Company's ultimate parent company was INEOS Limited, a company registered in England and Wales.

INEOS Limited is the parent undertaking of the largest group and INEOS Group Holdings plc is the parent undertaking of the smallest group to consolidate these financial statements. The consolidated group accounts of both companies are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

On 26 March 2010, INEOS Limited was acquired by INEOS AG, a company registered in Switzerland, which therefore became the Company's ultimate parent company.

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