

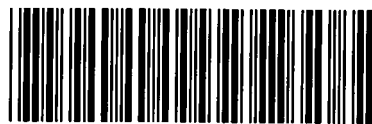
INEOS U.S. Finance Company Limited

Annual report and financial statements

Registered number 04105198

31 December 2016

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Strategic report

The directors present their strategic report for the year ended 31 December 2016.

Business overview

The principal activity of the company is the financing of the INEOS group. The principal activities of the INEOS group are the manufacture and sale of a range of chemicals and refined products used in a variety of applications. There has been no change from the prior year.

Business review

The results of the company are set out in the profit and loss account on page 8 which shows a loss for the financial year of \$210,000 (2015: loss of \$418,000).

Objectives and strategy

The directors do not expect any change in the company's activities during the next financial year as the company will continue to act as a financing company.

Principle risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition factors which would cause a decline in the market. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of parent company INEOS Group Holdings S.A., which does not form part of this report.

Key performance indicators

The directors of INEOS Group Holdings S.A. manage the group's operations on a divisional basis. For this reason, the company's directors believe that the analysis using performance indicators of the company is not necessary or appropriate for an understanding of the development, performance, or position of the business of INEOS U.S. Finance Company Limited. The development, performance and position of the group, including this company, are discussed in the group's annual report which does not form part of this report.

Approved and signed by order of the board



Y S Ali
Company Secretary
28 April 2017

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

Directors

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

Mr. P Huyck
Mr. G Leask

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..

Future developments

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

Dividends

The directors do not recommend the payment of a dividend (2015: \$nil).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of 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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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, 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.

Directors' report (continued)

Statement of directors' responsibilities (continued)

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.

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.

Approved and signed by order of the board



Y S Ali
Company Secretary
INEOS U.S. Finance Company Limited
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG
28 April 2017

Independent auditors' report to the members of Ineos U.S. Finance Company Limited

Report on the financial statements

Our opinion

In our opinion, INEOS U.S. Finance Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of INEOS U.S. Finance Company Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 4 and 5, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
28 April 2017

Profit and Loss Account
for year ended 31 December 2016

	<i>Note</i>	2016 \$'000	2015 \$'000
Interest receivable and similar income	4	1,264	1,003
Interest payable and similar charges	5	(1,128)	(1,298)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		136	(295)
Tax on profit/(loss) on ordinary activities	6	(346)	(123)
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Loss for the financial year		(210)	(418)
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All the activities of the company relate to continuing operations.

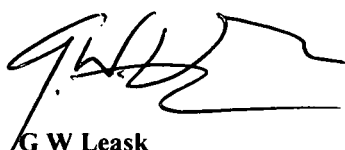
The company has no recognised other comprehensive income and therefore no separate statement of comprehensive income has been presented.

Balance Sheet

At 31 December 2016

	Note	2016 \$'000	2016 \$'000	2015 \$'000	2015 \$'000
Current assets					
Debtors (including \$23,896,000 (2015: \$23,896,000) due after more than one year)	7	35,908		34,644	
Creditors: amounts falling due within one year	8	(21,160)		(19,686)	
Net current assets		<u>14,748</u>		<u>14,958</u>	
Total assets less current liabilities			<u>14,748</u>		<u>14,958</u>
Creditors: amounts falling due after more than one year	9		(22,296)		(22,296)
Net liabilities			<u>(7,548)</u>		<u>(7,338)</u>
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account			(7,548)		(7,338)
Total shareholders' deficit			<u>(7,548)</u>		<u>(7,338)</u>

These financial statements on pages 8 to 16 were approved by the board of directors on 28 April 2017 and were signed on its behalf



G W Leask

Director

Company registered number: 4105198

Statement of Changes in Equity
for the year ended 31 December 2016

	Called up share capital \$'000	Profit and loss account \$'000	Total shareholders' deficit \$'000
Balance at 1 January 2015	-	(6,920)	(6,920)
Loss for the financial year	-	(418)	(418)
Balance at 31 December 2015	-	(7,338)	(7,338)

	Called up share capital \$'000	Profit and loss account \$'000	Total shareholders' deficit \$'000
Balance at 1 January 2016	-	(7,338)	(7,338)
Loss for the financial year	-	(210)	(210)
Balance at 31 December 2016	-	(7,548)	(7,548)

Notes

(forming part of the financial statements)

1 Accounting policies

INEOS U.S. Finance Company Limited (the "Company") is a private company, limited by shares, incorporated and registered in England.

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.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The going concern assumption is based on confirmation that the company will be supported by INEOS Holdings Limited to finance its activities for twelve months following the date of approval of these 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 they are measured at amortised cost using the effective interest method, less any impairment losses.

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.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised

1.6 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.

1.7 Provisions

A provision is recognised in the balance sheet when the Company has 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

1 Accounting policies *(continued)*

1.8 Interest receivable and Interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Auditors' remuneration

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..

3 Staff numbers and cost and Directors' remuneration

The Company had no employees during the year (2015: none). No Directors received any fees or remuneration in respect of their services as a Director of the Company during the financial year (2015: nil).

4 Interest receivable and similar income

	2016 \$'000	2015 \$'000
Interest receivable and similar income	1,264	1,003

Interest receivable and similar income relates solely to income from group undertakings.

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

5 Interest payable and similar charges

	2016 \$'000	2015 \$'000
Interest payable and similar charges	1,128	1,298

Interest payable and similar charges relates solely to amounts payable to group undertakings.

6 Tax on profit/(loss) on ordinary activities

Recognised in the profit and loss account

	2016 \$'000	2015 \$'000
<i>UK corporation tax</i>		
Current tax on profit/(loss) for the year	27	(60)
Adjustments in respect of prior periods	319	183
Tax on profit/(loss) on ordinary activities	346	123

Reconciliation of effective tax rate

	2016 \$'000	2015 \$'000
Profit/(loss) on ordinary activities before taxation	136	(295)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of tax in the UK of 20% (2015: 20.25%)	27	(60)
Adjustments in respect of prior periods	319	183
Total tax charge	346	123

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)

7 Debtors

	2016 \$'000	2015 \$'000
Amounts owed by group undertakings	35,908	34,644
Due within one year	12,012	10,748
Due after more than one year	23,896	23,896

Amounts owed by group undertakings due within one year are unsecured, attract interest at commercial rates, have no fixed repayment and are repayable on demand.

Amounts owed by group undertakings due after more than one year are unsecured, attract interest at commercial rates and are repayable between 2-5 years.

8 Creditors: amounts falling due within one year

	2016 \$'000	2015 \$'000
Amounts owed to group undertakings	21,160	19,686

Amounts owed to group undertakings are unsecured, attract interest at commercial rates, have no fixed repayment and are repayable on demand.

9 Creditors: amounts falling due after more than one year

	2016 \$'000	2015 \$'000
Amounts owed to group undertakings	22,296	22,296

Amounts owed to group undertakings are unsecured, attract interest at commercial rates and are repayable in 2-5 years.

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

10 Called up share capital

In thousands of shares	2016	2015
On issue at 1 January	1	1
	<hr/>	<hr/>
On issue at 31 December – fully paid	1	1
	<hr/>	<hr/>
	2016	2015
	\$	\$
Allotted, called up and fully paid		
1 (2015: 1) Ordinary shares of \$1 each	1	1
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11 Controlling parties

The immediate parent undertaking is INEOS Oxide Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2016 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.