

Ineos Investment Holdings Limited  
Annual report  
for the year ended 31 December 2007

Registered Number 4215941

THURSDAY



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Ineos Investment Holdings Limited  
Annual report  
for the year ended 31 December 2007  
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# **Ineos Investment Holdings Limited**

## **Directors' report for the year ended 31 December 2007**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

### **Principal activities, review of business and future developments**

The principal activity of the company is to act as a holding company. During the year the company did not trade. The directors do not expect any change in the company's activities during the next financial year.

### **Results and dividends**

During the year ended 31 December 2007 the company made a profit before tax of €25,000,000 (2006 €100,000,000). An interim dividend of €2.17 per share (2006 €8.69 per share) amounting to €25,000,000 (2006 €100,000,000) was paid on 27 July 2007. The directors do not recommend the payment of a final dividend (2006 €nil).

### **Directors**

The directors who held office during the year and to the date of signing the financial statements are given below:

A Currie

J Reece

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements

## **Ineos Investment Holdings Limited**

comply with the Companies Act 1985. 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. In accordance with Section 386 of the Companies Act 1985 the company has elected to dispense with the obligation to appoint auditors annually.

By order of the board



M Stokes  
Company secretary  
6 June 2008

# **Ineos Investment Holdings Limited**

## **Independent auditors' report to the members of Ineos Investment Holdings Limited**

We have audited the financial statements of Ineos Investment Holdings Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Ineos Investment Holdings Limited

## Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers' followed by a stylized 'UP' or similar mark.

**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
6 June 2008

# Ineos Investment Holdings Limited

## Profit and loss account for the year ended 31 December 2007

	Note	2007 €'000	2006 €'000
Income from group undertakings		25,000	100,000
<b>Profit on ordinary activities before taxation</b>		<b>25,000</b>	<b>100,000</b>
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>	<b>10</b>	<b>25,000</b>	<b>100,000</b>

All the activities of the company relate to continuing operations

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the reported profits stated above and their historical cost equivalents

# Ineos Investment Holdings Limited

## Balance sheet as at 31 December 2007

	Note	2007 €'000	2006 €'000
<b>Fixed assets</b>			
Investments	6	17,642	17,642
<b>Current assets</b>			
Debtors	7	986	986
Creditors amounts falling due within one year	8	(986)	(986)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		17,642	17,642
<b>Capital and reserves</b>			
Called up share capital	9	17,642	17,642
Profit and loss account	10	-	-
<b>Total shareholders' funds</b>	11	17,642	17,642

The financial statements on pages 5 to 13 were approved by the board of directors on 6 June 2008 and were signed on its behalf by

  
J. Reece  
Director



# **Ineos Investment Holdings Limited**

## **Statement of accounting policies**

### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting policies in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year, are set out below.

### **Investments**

Fixed asset investments are stated at cost less provision for any impairment. All investments are reviewed for impairment when there are indications that the carrying value may not be fully recoverable.

### **Foreign currencies**

Transactions 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 closing rate for the period. All translation gains or losses on the settlement of monetary assets and liabilities are included in the determination of profit for the year.

### **Cash flow statement and related party transactions**

The company is a wholly owned subsidiary of Ineos Group Limited and is included in the consolidated financial statements of that company. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard Number 8 from disclosing related party transactions with entities that are part of the Ineos Group Limited group.

### **Consolidation**

The financial statements contain information about Ineos Investment Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Ineos Group Limited, a company incorporated in England and Wales.

# Ineos Investment Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007

### 1 Reporting currency

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

The exchange rate as at 31 December 2007 was €1 36482/£1 (2006 €1 49098/£1)

### 2 Employees and directors

Neither the directors nor the secretary received any emoluments during the year (2006 £nil) in respect of their services to the company

No other persons were employed during the year or in the prior year

### 3 Auditor's remuneration

The audit fee has been included in the overall audit fee for Ineos Group Limited in the current and prior year and is not separately recharged to the company

### 4 Tax on profit on ordinary activities

The tax for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007	2006
	€'000	€'000
Profit on ordinary activities before tax	25,000	100,000
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2006 30%)	7,500	30,000
Effects of		
Non taxable income	(7,500)	(30,000)
<b>Tax credit for the year</b>	-	-

There are no factors which are expected to affect future tax charges materially

# Ineos Investment Holdings Limited

## 5 Dividends

	2007	2006
	€'000	€'000
Interim dividends paid of €2 17 (2006 €8 69) per share	25,000	100,000

## 6 Investments

	2007	2006
	€'000	€'000
<b>Investment in subsidiary undertaking</b>		
At cost and net book value at 31 December	17,642	17,642

The directors believe that the book value of the investments is not less than the value of the underlying net assets

### Interest in subsidiary undertakings

The following information relates to the principal subsidiary undertakings of the company

Company	Country of incorporation and	Percentage holding	Principal activity
Ineos Intermediate Holdings Limited *	England	100%	Holding company
Ineos Group Holdings plc	England	100%	Finance
Ineos Holdings Limited	England	100%	Holding company
Ineos US Finance LLC	US	100%	Finance
Ineos Industrial Investment Limited	England	100%	Finance
Ineos Oxide Limited	England	100%	Chemicals
Ineos NV	Belgium	100%	Chemicals
Ineos Belgium NV	Belgium	100%	Chemicals
Ineos Italia Srl	Italy	100%	Chemicals
Ineos Partners DGP	US	100%	Holding company
Ineos Phenol Limited	England	100%	Holding company
Ineos Phenol Verwaltungsgesellschaft mbH	Germany	100%	Chemicals

# Ineos Investment Holdings Limited

## 6 Investments (continued)

Ineos Phenol GmbH & Co KG	Germany	100%	Chemicals
Ineos Investment Holdings (Fluor & Silicas) Limited	England	100%	Holding company
Ineos Intermediate Holdings (Fluor & Silicas) Limited	England	100%	Holding company
Ineos Holdings (Fluor & Silicas) Limited	England	100%	Holding company
Ineos Fluor Holdings Limited	England	100%	Holding company
Ineos Fluor Limited	England	100%	Chemicals
Ineos Fluor Japan Limited	Japan	100%	Chemicals
IFJ Korea Limited	Korea	100%	Chemicals
Ineos Fluor Canada Inc	Canada	100%	Chemicals
Ineos Fluor Americas LLC	US	100%	Chemicals
Ineos Silicas Holding Limited	England	100%	Holding company
Ineos Silicas Limited	England	100%	Chemicals
Ineos Silicas Netherlands BV	Holland	100%	Chemicals
Ineos Silicas Sales and Distribution BV	Holland	100%	Chemicals
Ineos Silicas South Africa Pty Limited	South Africa	100%	Chemicals
PT Ineos Silicas Indonesia	Indonesia	100%	Chemicals
Ineos Brazil Limitada	Brazil	100%	Chemicals
Ineos Healthcare Limited	England	100%	Healthcare
Ineos US Holding Company II LLC	US	100%	Holding company
Ineos US Intermediate Holding Company LLC	US	100%	Holding company
Ineos Americas LLC	US	100%	Chemicals
Ineos US Investment Holding Company LLC	US	100%	Holding company
Ineos European Holdings Limited	England	100%	Holding company
Ineos Belgium Holdco NV	Belgium	100%	Holding company
Ineos Solutions NV	Belgium	100%	Chemicals
Ineos Manufacturing Deutschland GmbH	Germany	100%	Chemicals
Ineos Koln GmbH	Germany	100%	Chemicals
Ineos France SAS	France	100%	Chemicals
Ineos Europe Limited	England	100%	Chemicals
Ineos Manufacturing Belgium NV	Belgium	100%	Chemicals
Ineos Feluy SPRL	Belgium	100%	Chemicals
Ineos Manufacturing Scotland Limited	Scotland	100%	Chemicals

# Ineos Investment Holdings Limited

## 6 Investments (continued)

Ineos Sales Belgium NV	Belgium	100%	Chemicals
Ineos Sales Italia s r l	Italy	100%	Chemicals
Ineos Manufacturing France SAS	France	100%	Chemicals
Ineos Manufacturing Italia s p a	Italy	100%	Chemicals
Ineos Services Belgium NV	Belgium	100%	Chemicals
Ineos Melamines GmbH	Germany	100%	Chemicals
Ineos Deutschland GmbH	Germany	100%	Holding company
Ineos LLC	US	100%	Holding company
Ineos Holdings Company LLC	US	100%	Holding company
Ineos USA LLC	US	100%	Chemicals
Ineos Polymers Inc	US	100%	Chemicals
Ineos Canada Company	Canada	100%	Chemicals
Ineos Canada Partnership	Canada	100%	Chemicals
Ineos Canada Investment Company	Canada	100%	Holding company
Ineos Chlor Newco 3 Limited	England	100%	Holding company
Ineos Chlor Limited	England	100%	Chemicals
Ineos Chlor Atlantik GmbH	Germany	100%	Chemicals
Ineos Vinyls Group Limited	England	100%	Holding company
Ineos Vinyls Limited	England	100%	Holding company
Ineos Vinyls Finance plc	England	100%	Finance
Ineos Vinyls UK Limited	England	100%	Chemicals
Ineos Vinyls Belgium SA/NV	Belgium	100%	Chemicals
Ineos Vinyls Deutschland GmbH	Germany	100%	Chemicals
Ineos Vinyls Sales GmbH	Germany	100%	Chemicals
Ineos Compounds UK Limited	England	100%	Chemicals
Ineos Compounds Switzerland AG	Switzerland	100%	Chemicals
Ineos Compounds Italia s r l	Italy	100%	Chemicals
Ineos Films s p a	Italy	100%	Chemicals
Ineos Films Italia s r l	Italy	100%	Chemicals
Ineos Films Inc	US	100%	Chemicals

# Ineos Investment Holdings Limited

## 6 Investments (continued)

Ineos Films GmbH	Germany	100%	Chemicals
Ineos Films Staufen GmbH	Germany	100%	Chemicals
Caprihans India Limited	India	59%	Chemicals
Ineos ABS (Jersey) Limited	UK	51%	Holding company
Ineos ABS (Deutschland) Limited	Germany	51%	Chemicals
Ineos ABS (UK) Limited	UK	51%	Chemicals
Ineos ABS Thailand Co Limited	Thailand	51%	Chemicals
Lustran Polymers SL	Spain	51%	Chemicals
Ineos Holdings (Malta) Limited	Malta	100%	Holding company
Ineos Financing (Malta) Limited	Malta	100%	Holding company
Ineos Holdings Norge AS	Norway	100%	Holding company
Ineos Bamble AS	Norway	100%	Chemicals
Ineos Sales Norge AS	Norway	100%	Chemicals

\* Held directly by the company

## 7 Debtors

	2007	2006
	€'000	€'000
Amounts due from group undertakings	986	986

## 8 Creditors: amounts falling due within one year

	2007	2006
	€'000	€'000
Amounts owed to group undertakings	986	986

# Ineos Investment Holdings Limited

## 9 Called up share capital

	2007	2006
	€'000	€'000
Authorised, allotted and fully paid		
11,500,131 ordinary shares of £1 each	17,642	17,642

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 Profit and loss account

	€'000
At 1 January 2007 and at 31 December 2007	-

## 11 Reconciliation of movements in shareholders' funds

	2007	2006
	€'000	€'000
Profit for the financial year	25,000	100,000
Dividends (note 5)	(25,000)	(100,000)
Net addition to shareholders' funds	-	-
Opening shareholders' funds	17,642	17,642
Closing shareholders' funds	17,642	17,642

## 12 Ultimate parent undertaking and controlling party

As at 31 December 2007, the ultimate parent undertaking was Ineos Group Limited, a company registered in England and Wales. On 14 May 2008 as part of a corporate restructuring, a new holding company, Ineos Limited was incorporated at the top of the group structure and became the ultimate parent undertaking as of that date. Copies of the accounts of Ineos Group Limited can be obtained from the Company secretary, Ineos Group Limited, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The ultimate controlling party is Mr J A Ratcliffe, director and majority shareholder in the ultimate parent undertakings Ineos Group Limited and Ineos Limited.

