

INEOS US DSS Limited

Annual report

for the year ended 31 December 2007

Registered Number 4980788

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INEOS US DSS Limited

Annual report

for the year ended 31 December 2007

Contents

Directors' report for the year ended 31 December 2007	1
Independent auditors' report to the members of INEOS US DSS Limited	3
Profit and loss account for the year ended 31 December 2007	4
Balance sheet as at 31 December 2007	5
Statement of accounting policies	6
Notes to the financial statements for the year ended 31 December 2007	7

INEOS US DSS 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

The principal activity of the company is an investment company

Review of the business

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 loss before taxation of \$14 (2006 profit before taxation of \$8) The directors do not recommend the payment of a dividend (2006 \$nil)

Directors

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

J Reece
A C Currie
G Leask
R Bell

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,
- 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 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

INEOS US DSS Limited

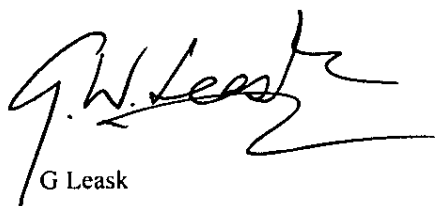
Disclosure of information to auditors

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. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting

On behalf of the Board

A handwritten signature in black ink, appearing to read 'G. W. Leask', with a stylized flourish at the end.

G Leask

Director

22 May 2008

INEOS US DSS Limited

Independent auditors' report to the members of INEOS US DSS Limited

We have audited the financial statements of INEOS US DSS 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 judgments 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.

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 loss 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.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

22 May 2008

INEOS US DSS Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 \$	2006 \$
Administrative expenses		(16)	(12)
Operating loss	2	(16)	(12)
Interest receivable and similar income	5	2	20
(Loss)/profit on ordinary activities before taxation		(14)	8
Tax on (loss)/profit on ordinary activities	6	(6,860,151)	(1,671,083)
Loss for the financial year	10	(6,860,165)	(1,671,075)

All activities of the company relate to continuing operations

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

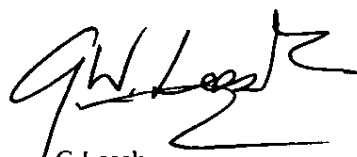
There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

INEOS US DSS Limited

Balance sheet as at 31 December 2007

	Note	2007 \$	2006 \$
Current assets			
Cash at bank and in hand		229	143
		229	143
Debtors due in more than one year	7	291,918,631	291,918,545
Creditors amounts falling due within one year	8	(12,780,251)	(5,920,000)
Net assets		279,138,380	285,998,545
Capital and reserves			
Called up share capital	9	337,432,972	337,432,972
Profit and loss account	10	(58,294,592)	(51,434,427)
Total shareholders' funds	11	279,138,380	285,998,545

The financial statements on pages 4 to 10 were approved by the board of directors on 22 May 2008 and were signed on its behalf by


G Leask
Director

INEOS US DSS Limited

Statement of accounting policies

Basis of accounting

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

Foreign currency transaction

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account in the period in which they occur.

Cash flow statement

The company is a wholly owned subsidiary of INEOS Holdings Limited and is ultimately consolidated within the financial statements of INEOS Group Limited. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Related party transactions

As 100% of the company's voting rights are controlled within the group headed by INEOS Group Limited, the company has taken advantage of the exemption 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.

INEOS US DSS Limited

Notes to the financial statements for the Year ended 31 December 2007

1 Reporting currency

The financial statements are expressed in US dollars as the company's assets are denominated in US dollars

The exchange rate at 31 December 2007 was \$1 9884/£1 (2006 \$1 9597/£1)

2 Auditor's remuneration

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

3 Directors' emoluments

None of the directors received any remuneration for their services provided during the year to 31 December 2007 (31 December 2006 \$nil)

4 Staff number and costs

There were no employees other than the directors of the company during the year or in the prior year

5 Interest receivable and similar income

	2007 \$	2006 \$
Exchange gains	2	20
	2	20

6 Tax on (loss)/profit on ordinary activities

	2007 \$	2006 \$
The taxation charge for the year comprises:		
Current tax		
UK corporation tax	(5)	-
Adjustments in respect of previous years	6,860,156	1,671,083
Total tax	6,860,151	1,671,083

INEOS US DSS Limited

6 Tax on (loss)/profit on ordinary activities (continued)

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

	2007	2006
	\$	\$
Profit / (loss) on ordinary activities before tax	(14)	8
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(5)	-
Effects of		
Adjustments in respect of previous years	6,860,156	1,671,083
Total current tax charge	6,860,151	1,671,083

There are no factors expected to significantly affect the tax charge in future periods

7 Debtors: amounts falling due after more than one year

	2007	2006
	\$	\$
Amounts owed by group undertakings	291,918,402	291,918,402

8 Creditors: amounts falling due within one year

	2007	2006
	\$	\$
Amounts due to group undertakings	12,780,251	5,920,000

INEOS US DSS Limited

9 Called up share capital

	2007	2006
	\$	\$
Authorised		
1,000,000 "A" ordinary shares of £237 50	403,114,610	403,114,610
1 "B" ordinary share of £1	2	2
	403,114,612	403,114,612
Allotted and fully paid		
1 "B" ordinary share of £1	2	2
Allotted and partly paid		
1,000,000 "A" ordinary shares of £237 50	337,432,970	337,432,970
	337,432,972	337,432,972

The holders of each class of share capital have equal rights in relation to voting, dividends and entitlement to rights upon winding up of the company

As the reporting currency of the company is US dollars, share capital has been converted to US dollars at the effective rate of exchange ruling at the date of issuance or the rate of exchange specified in the Deferred Share Subscription Agreement

10 Reserves

	Profit and loss account \$
At 1 January 2007	(51,434,427)
Loss for the financial year	(6,860,165)
At 31 December 2007	(58,294,592)

INEOS US DSS Limited

11 Reconciliation of movements in total shareholders' funds

	2007	2006
	\$	\$
Loss for the financial year	(6,860,165)	(1 671,075)
Opening total shareholders' funds	285,998,545	287,669,620
Closing total shareholders' funds	279,138,380	285,998,545

12 Parent undertaking and controlling party

The immediate parent undertaking of the company is Ineos Holdings Limited, a company incorporated in the United Kingdom. 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 directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertakings Ineos Group Limited and Ineos Limited.