

**INEOS US DSS Limited**

**Annual report and financial statements**

**Registered number 4980788**

**31 December 2015**

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## **Strategic report**

The directors present their strategic report for the year ended 31 December 2015.

### **Business overview**

The principal activity of the company is to act as an investment company. There has been no change from the prior year.

### **Business review**

During the year to 31 December 2015 the company made a loss on ordinary activities before taxation of \$291,918,400 (2014: \$nil).

### **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 holding company.

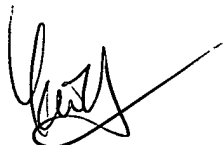
### **Principle risks and uncertainties**

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 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 US DSS Limited. The development, performance and position of the group, including this company, is discussed in the group's annual report which does not form part of this report.

By order of the Board



Y. Ali  
Company Secretary  
15 April 2016

## **Directors' report**

The directors present their report and the audited financial statements for the year ended 31 December 2015.

### **Directors**

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

G Leask  
D Smeeton

### **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 (2014: nil).

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

### **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.

**Directors' report (continued)**

**Independent auditors**

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

By order of the Board



**Y S Ali**

**Company Secretary**

INEOS US DSS Limited, Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG  
15 April 2016

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

### **Report on the financial statements**

#### **Our opinion**

In our opinion, INEOS US DSS 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 2015 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 2015;
- 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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, 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.

#### **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.

#### **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.

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.

## **Independent auditors' report to the members of INEOS US DSS Limited (continued)**

### **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 page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 and financial statements 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.



Michael Jeffrey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
15 April 2016

**Profit and Loss Account**  
**for the year ended 31 December 2015**

	<i>Note</i>	<b>2015</b> \$	2014 \$
Amounts written off loans to group undertakings	5	(291,918,400)	-
<b>(Loss)/result on ordinary activities before taxation</b>		<b>(291,918,400)</b>	-
Tax on (loss)/result on ordinary activities	6	39,368,908	(1,259,039)
<b>Loss for the financial year</b>		<b>(252,549,492)</b>	<b>(1,259,039)</b>

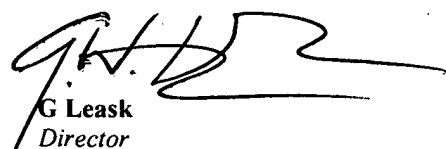
All activities of the company relate to continuing operations.

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

**Balance Sheet**  
**at 31 December 2015**

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Debtors	7	30	291,918,430
Creditors: amounts falling due within one year	8	-	(39,368,908)
Net assets		<u>30</u>	<u>252,549,522</u>
 <b>Capital and reserves</b>			
Called up share capital	9	337,432,972	337,432,972
Profit and loss account		<u>(337,432,942)</u>	<u>(84,883,450)</u>
Total shareholders' funds		<u>30</u>	<u>252,549,522</u>

These financial statements on pages 8 to 15 were approved by the board of directors on 15 April 2016 and were signed on its behalf by:

  
G Leask  
Director

Company registered number: 4980788

**Statement of Changes in Equity**  
**for the year ended 31 December 2015**

	<b>Called up share capital \$</b>	<b>Profit and loss account \$</b>	<b>Total shareholders' funds \$</b>
Balance at 1 January 2014	337,432,972	(83,624,411)	253,808,561
Loss for the financial year	-	(1,259,039)	(1,259,039)
<b>Balance at 31 December 2014</b>	<b>337,432,972</b>	<b>(84,883,450)</b>	<b>252,549,522</b>

	<b>Called up share capital \$</b>	<b>Profit and loss account \$</b>	<b>Total shareholders' funds \$</b>
Balance at 1 January 2015	337,432,972	(84,883,450)	252,549,522
Loss for the financial year	-	(252,549,492)	(252,549,492)
<b>Balance at 31 December 2015</b>	<b>337,432,972</b>	<b>(337,432,942)</b>	<b>30</b>

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

**1 Accounting policies**

INEOS US DSS Limited (the “Company”) is a company incorporated and domiciled in the UK.

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; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

**1 Accounting policies (continued)**

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 except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

**1.2 Going concern**

The going concern assumption is based on confirmation that the company will be supported by its parent company to finance its activities for twelve months following the date of approval of these financial statements.

**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.

*Investments in debt and equity securities*

Investments subsidiaries are carried at cost less impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

*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 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.

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

**1 Accounting policies (continued)**

**1.6 Impairment excluding stocks and deferred tax assets**

*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**1.7 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.

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

**2 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 2015 was \$1.48315/ £1 (2014: \$1.55602 /£1).

**3 Auditors' 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.

**4 Directors' remuneration**

The Company had no employees during the year (2014: none). No Directors received any fees or remuneration in respect of their services as a Director of the Company during the financial year (2014: nil).

**5 Amounts written off loans to group undertakings**

During the year the company wrote off a loan receivable due from a group undertaking. This gave rise to a loss of \$291,918,400 in the year.

**6 Tax on (loss)/result on ordinary on activities**

**Recognised in the profit and loss account**

	2015 \$	2014 \$
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	<u>(39,368,908)</u>	<u>1,259,039</u>
<b>Tax on (loss)/result on ordinary activities</b>	<u><b>(39,368,908)</b></u>	<u><b>1,259,039</b></u>

**Reconciliation of effective tax rate**

	2015 \$	2014 \$
Total tax (income) / expense	<u>(39,368,908)</u>	<u>1,259,039</u>
(Loss) / result on ordinary activities before taxation	(291,918,400)	-
(Loss) / result on ordinary activities before taxation multiplied by the standard rate of tax in the UK of 20.25% (2014: 21.5%)	(59,113,476)	-
Expenses not subject to corporation tax	59,113,476	-
Adjustments in respect of prior periods	<u>(39,368,908)</u>	<u>1,259,039</u>
<b>Total tax (credit)/expense</b>	<u><b>(39,368,908)</b></u>	<u><b>1,259,039</b></u>

In July 2015, the UK Corporation tax rate for periods commencing 1 April 2017 was changed from 20% to 19% and for periods from 1 April 2020 from 19% to 18%.

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

**7 Debtors**

	2015 \$	2014 \$
Amounts owed by group undertakings	<u>30</u>	<u>291,918,430</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**8 Creditors: amounts falling due within one year**

	2015 \$	2014 \$
Amounts owed to group undertakings	<u>-</u>	<u>39,368,908</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**9 Called up share capital**

	Ordinary shares 2015 \$	2014 \$
On issue	<u>337,432,972</u>	<u>337,432,972</u>
<i>Allotted, called up and fully paid</i>		
1 (2014: 1) Ordinary "B" share of £1 each	2	2
<i>Allotted, called up and partly paid</i>		
1,000,000 (2014: 1,000,000) Ordinary "A" shares of £237.50 each	337,432,970	337,432,970
	<u>337,432,972</u>	<u>337,432,972</u>

The holders of each class of share capital have equal rights in relation to voting, dividends and entitlement to rights upon winding up 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 at the date of issuance or the rate of exchange specified in the Deferred Share Subscription Agreement.

**10 Controlling parties**

The directors regard INEOS Holdings Limited, a company incorporated in the United Kingdom to be the immediate parent undertaking of the company.

The ultimate parent company at 31 December 2015 was INEOS AG, a company incorporated in Switzerland.

INEOS Group Holdings S.A is the parent undertaking of the smallest and largest 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 AG.