

Vinyls Italia 2 Limited
Annual report
for the year ended 31 December 2008

Registered Number 5873923



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Vinyls Italia 2 Limited

Directors' report for the year ended 31 December 2008

The Directors present their report and the audited financial statements for the year to 31 December 2008. Comparative figures for 2007 are in respect of the period between incorporation (12 July 2006) and 31 December 2007.

Principal activities and review of the business

The Company's principal activity during the year was to hold a nominal investment in a fellow group undertaking.

The Company has not traded since incorporation and made neither a profit nor a loss during the current year or previous period. The Directors do not recommend the payment of a dividend (2007: £nil).

Future outlook

In January 2009 the Company acquired a minority shareholding in INEOS Compounds Italia Srl from a related company, INEOS Vinyls Holdings Italia Srl. On the same day, this shareholding was sold to Safi Srl.

In March 2009 the Company sold its nominal investment in INEOS Vinyls Italia SpA to Sartor Holding Srl.

Financial risk management

The Company is not exposed to any significant financial risks.

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 and their interests

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

CE Tane
MJ Maher
AJ Reed

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 UK Generally Accepted Accounting Practice (United Kingdom 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 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.

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Directors' report for the year ended 31 December 2008 (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. As a result of the Company passing a written resolution, there is no longer a requirement for the Auditors to be appointed on an annual basis.

By order of the Board



PF Nichols
Company Secretary
29 September 2009

Vinyls Italia 2 Limited

Independent Auditors' report to the members of Vinyls Italia 2 Limited

We have audited the financial statements of Vinyls Italia 2 Limited for the year ended 31 December 2008 which comprise the Profit and loss account, the Reconciliation of movements in equity shareholders' funds, the Balance sheet 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 2008 and of its result 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
Leeds
29 September 2009

Vinyls Italia 2 Limited

Profit and loss account for the year ended 31 December 2008

The Company neither traded nor had any employees during the current year or previous period.

Neither the Directors nor the Auditors received any remuneration from the Company during the current year or previous period.

There were no other recognised gains or losses during the current year or previous period.

Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2008

	2008 £	2007 £
Result for the financial period	-	-
Issue of share capital	-	2
Equity shareholders' funds at the start of the period	2	-
Equity shareholders' funds at the end of the period	2	2

Balance sheet as at 31 December 2008

	Note	2008 £	2007 £
Fixed asset investment	1	-	-
Debtors – amounts falling due within one year	2	2	2
		2	2
Capital and reserves			
Called up share capital	3	2	2
Profit and loss account		-	-
Equity shareholders' funds		2	2

The financial statements on pages 4 to 6 were approved by the Board of Directors on 29 September 2009 and are signed on its behalf by



MJ Maher
Director

Vinyls Italia 2 Limited

Accounting policies

These financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards, the Companies Act 1985 and the accounting policies set out below. Comparative figures for 2007 are in respect of the period between incorporation (12 July 2006) and 31 December 2007.

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value. Where the cost of investments includes long-term loans, these are included within fixed asset investments.

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. Exchange differences on foreign currency loans are also taken directly to reserves where there is an appropriate offset.

Cash flow statement

The Company neither operated a bank account during the year nor engaged in any cash transactions. As a consequence, the Company has not presented a cash flow statement.

Vinyls Italia 2 Limited

Notes to the accounts

1 Fixed asset investments

At 31 December 2008 and 31 December 2007 the Company owned a nominal investment of 1 share in INEOS Vinyls Italia SpA, a manufacturing company incorporated in Italy and a fellow group undertaking.

In January 2009 the Company acquired a minority shareholding in INEOS Compounds Italia Srl from a related company, INEOS Vinyls Holdings Italia Srl. On the same day, this shareholding was sold to Safi Srl.

In March 2009 the Company sold its nominal investment in INEOS Vinyls Italia SpA to Sartor Holding Srl.

2 Debtors

Amounts falling due within one year	2008 £	2007 £
Other debtors	2	2

3 Called up share capital

At 31 December 2008 and 31 December 2007	Authorised		Allotted and fully paid	
	Number	£	Number	£
Ordinary shares of £1 each Ordinary shares	100	100	2	2

4 Ultimate Parent Company and Ultimate Controlling Party

At 31 December 2008, the Company was a subsidiary undertaking of Vinyls Italia Limited, a company registered in England and Wales.

The Directors regard Mr JA Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in Vinyls Italia Limited.