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INEOS ABS (UK) Limited

Annual report for the year ended 31 December 2011

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INEOS ABS (UK) Limited

Annual report

for the year ended 31 December 2011

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INEOS ABS (UK) Limited

Directors' report for the year ended 31 December 2011

Ineos ABS (UK) Limited registered number 06312813

The directors present their report and audited financial statements of the company for the year ended 31 December 2011

Change of ownership

On 27 September 2011 the entire issued share capital of the Company was transferred to INEOS Industries Holdings Limited. The ultimate controlling party remains the same.

Principal activity

The company's principal activity is the provision of marketing support services via its branches in Italy and Hong Kong.

Review of business

During the year the company's branches provided marketing support services to fellow ABS subsidiary companies in Italy and Hong Kong. The results of the business were satisfactory during the year.

On 4 October 2011 INEOS Industries Holdings Limited, the immediate parent undertaking, transferred the majority of its subsidiary undertakings, but excluding the company, to a joint venture established with BASF, Styrolution. As a consequence, a plan to transfer the marketing support services provided by the company's branches to Styrolution was implemented. In this regard, employees in the Hong Kong branch were transferred to Styrolution and on 15 December 2011 the branch was closed. Employees in the Italian branch remained in employment with an obligation to provide marketing support services for a defined period. As at the date of this report the Italian branch continues to provide services, however this is expected to cease prior to 31 December 2012. Results from the Hong Kong branch have been reported as discontinued operations and those of the Italian branch as continuing operations in these financial statements.

Going Concern

As a consequence of the closure of the Hong Kong branch and the expected cessation of activities by the Italian branch outlined above, the directors consider that the going concern basis is not appropriate and therefore these financial statements have been prepared on a break-up basis. There were no material adjustments to the value of assets and liabilities as a result.

Results and dividends

The profit for the financial year after taxation was €228,540 (2011: €14,500). The directors do not recommend the payment of a dividend.

Donations

The company did not make any charitable or political donations.

Directors

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

Graeme Leask
Andrew Pizzey
Gerhard Franken

INEOS ABS (UK) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 year. 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,
- 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the companies Act 2006.

By order of the board



Andrew Pizzey
Director

27 September 2012

INEOS ABS (UK) Limited

Independent auditors' report to the members of INEOS ABS (UK) Limited

We have audited the financial statements of INEOS ABS (UK) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 2 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). 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INEOS ABS (UK) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Michael Jeffrey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
27 September 2012

INEOS ABS (UK) Limited

Profit and loss account for the year ended 31 December 2011

	Note	Continuing 2011	Discontinued 2011	Total 2011	2010
		€'000	€'000	€'000	€'000
Turnover	1	592.2	456.3	1,048.5	1,150.2
Selling and distribution costs		(240.2)	(268.8)	(509.0)	(721.1)
Administrative expenses		(50.0)	(160.9)	(210.9)	(364.3)
Operating profit	2	302.0	26.6	328.6	64.8
Interest receivable and similar income	3	2.2	-	2.2	0.1
Interest payable and similar charges	4	(2.2)	-	(2.2)	(3.4)
Profit on ordinary activities before taxation		302.0	26.6	328.6	61.5
Taxation on profit on ordinary activities	5	(97.2)	(2.8)	(100.0)	(47.0)
Profit for the financial year	14	204.8	23.8	228.6	14.5

There were no recognised gains or losses other than those included in the results above, therefore no separate statement of total recognised gains and losses has been presented


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

INEOS ABS (UK) Limited

Balance sheet as at 31 December 2011

	Note	2011 €'000	2010 €'000
Fixed assets			
Intangible fixed assets	7	-	-
		-	-
Current assets			
Debtors	8	193.3	208 1
Cash at bank and in hand		251.1	278 2
		443.4	486 3
Creditors: amounts falling due within one year	9	(145.0)	(195 3)
Net current assets		291.4	291 0
Total assets less current liabilities		291.4	291 0
Creditors: amounts falling due after more than one year	10	-	(166 5)
Provisions for liabilities and charges	11	(10.5)	(63 2)
Net assets		288 9	61 3
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	288.9	61 3
Total shareholders' funds	14	288.9	61 3

The financial statements on pages 5 to 14 were approved by the board of directors on 27 September 2012 and were signed on its behalf by


 Andrew Pizzey
 Director

INEOS ABS (UK) Limited

Statement of accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

As outlined in the Directors' Report the activities of the company's branches have either ceased or are expected to cease and therefore the going concern basis is not considered to be appropriate in preparing these financial statements. As a consequence the financial statements have been prepared on a break-up basis with adjustment to the carrying value of assets and liabilities based on their realisable value, if necessary.

Turnover

Turnover, which is stated net of value added tax, represents amounts recovered for marketing support provided to other undertakings in the INEOS ABS group of companies. Turnover is recognised on an accruals basis, at the point when the service is delivered.

Foreign currency transactions

Foreign currency transactions in currencies other than euros are recorded at the exchange rate ruling on the date of transaction. Monetary assets and liabilities in currencies other than euros are translated into euros at rates of exchange ruling at the balance sheet date. All exchange gains and losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit/loss for the year. Exchange gains and losses arising on translation of overseas branches are taken to reserves.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date. Deferred tax assets and liabilities which have been recognised have not been discounted.

Goodwill

Goodwill represents the excess of cost of acquisitions of businesses over the fair value attributed to their net assets. Goodwill is capitalised as an intangible fixed asset and amortised through the profit and loss account on a straight line basis over its estimated useful economic life of 5 years. All intangible fixed assets are reviewed for impairment when there are indications that carrying value may not be fully recoverable.

Cash flow statement

The company is controlled by INEOS Industries Holdings Limited and is ultimately consolidated within the financial statements of INEOS Industries 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).

Operating leases

Costs in respect of operating leases are charged on a straight line basis to the profit and loss account over the lease term.

INEOS ABS (UK) Limited

Provisions for liabilities and charges

Provisions for employment related benefits payable to employees in Italy are recognised when there is 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

INEOS ABS (UK) Limited

Notes to the financial statements for the year ended 31 December 2011

1 Turnover

	2011 €'000	2010 €'000
Geographical analysis		
Italy	592.2	626 0
Hong Kong	456.3	524 2
Total	1,048.5	1,150 2

2 Operating profit

This is stated after charging

	2011 €'000	2010 €'000
Operating leases – motor vehicles	19.2	29 9
Amortisation of intangible fixed assets	-	46 0
Impairment of intangible fixed assets	-	76 2

The audit fee for the company is borne by INEOS Industries Holdings Limited

3 Interest receivable and similar income

	2011 €'000	2010 €'000
Bank interest receivable	2.2	0 1

4 Interest payable and similar charges

	2011 €'000	2010 €'000
Interest payable on loan from parent company	2 2	3 4

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5 Taxation on profit on ordinary activities

(a) Analysis of charge in the year

The tax charge is made up as follows

	2011 €'000	2010 €'000
Foreign tax		
Taxation payable on profits for the year	100.0	47 0
Total current tax (Note 5(b))	100.0	47 0
Deferred tax		
Origination and reversal of timing differences	-	-
Taxation on profit on ordinary activities	100.0	47 0

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 26%. The differences are explained below

	2011 €'000	2010 €'000
Profit on ordinary activities before taxation	328.6	61 5
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	85.4	17 2
Effects of		
Expenses not deductible for tax purposes	0.8	31 3
Adjustment in respect of foreign tax rates	13.8	(1 5)
Tax charge for current year (Note 5(a))	100.0	47 0

(c) Factors that may affect future tax charges

During the period, a resolution passed by Parliament on 29 March 2011 has reduced the main rate of corporation tax to 26% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. The impact of expected future rate reductions is not included in these financial statements.

It was announced in the March 2012 UK Budget Statement that the main rate of corporation tax would be further reduced to 24% from 1 April 2012. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

INEOS ABS (UK) Limited

6 Directors and employees

None of the directors received any fees or remuneration for services as a director of the company during the financial year

Employee costs

	2011 €'000	2010 €'000
Wages and salaries	366.1	510.8
Social security costs	45.6	79.3
Pension costs	19.2	37.0
	430.9	627.1

The average monthly number of full time employees during the year was 7, all employed in marketing activities

7 Intangible fixed assets

	Goodwill €'000	Other €'000	Total €'000
Cost			
At 1 January 2011	217.7	10.0	227.7
At 31 December 2011	217.7	10.0	227.7
Accumulated amortisation			
At 1 January 2011	217.7	10.0	227.7
At 31 December 2011	217.7	10.0	227.7
Net book amount			
At 31 December 2011	-	-	-
At 31 December 2010	-	-	-

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8 Debtors

	2011 €'000	2010 €'000
Amount owed by group undertakings	117.8	126.6
Other debtors	1.8	4.6
Prepayments and accrued income	73.7	76.9
	193.3	208.1

9 Creditors: amounts falling due within one year

	2011 €'000	2010 €'000
Trade creditors	4.4	9.7
Amount owed to group undertakings	-	58.7
Taxation and social security	48.9	41.8
Accruals and deferred income	91.7	85.1
	145.0	195.3

10 Creditors: amounts falling due after more than one year

	2011 €'000	2010 €'000
Loans from parent undertaking	-	166.5

11 Provisions for liabilities and charges

	€'000
At 1 January 2011	63.2
Charged to profit and loss account during the year	7.8
Utilised during the year	(60.5)
At 31 December 2011	10.5

Provisions for liabilities and charges relate to certain employment related benefits for employees in the Italian branch

INEOS ABS (UK) Limited

12 Called up share capital

	2011 €	2010 €
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
1 ordinary share of £1 each	1	1

As the reporting currency of the company is the euro the share capital has been converted to euros at the effective rate of exchange ruling at the date of issuance

13 Profit and loss account

	€'000
At 1 January 2011	61.3
Profit for the financial year	228.6
Exchange adjustments	(1.0)
At 31 December 2011	288.9

14 Reconciliation of movement of shareholders' funds

	2011 €'000	2010 €'000
Opening shareholders' funds	61.3	43.8
Profit for the financial year	228.6	14.5
Exchange adjustments	(1.0)	3.0
Closing shareholders' funds	288.9	61.3

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15 Financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases for motor vehicles as follows

	2011 €'000	2010 €'000
Expiring in less than one year	7.0	1.4
Expiring between two and five years	-	-
	7.0	1.4

16 Reporting currency

The financial statements are expressed in euros as the company primarily generates income, incurs expenditure and have the majority of their assets and liabilities denominated in euros

The exchange rate as at 31 December 2011 was €1 1949 /£1 (2010 €1 1741/£1)

17 Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard No. 8 "Related party disclosures" on the grounds that it is a wholly owned subsidiary of a group headed by Ineos Industries Limited whose accounts are publicly available, and has not disclosed transactions with group companies. There were no other related party transactions in the year.

18 Ultimate parent undertaking and controlling party

As at 31 December 2011 the immediate parent undertaking was INEOS Industries Holdings Limited

As at 31 December 2011 and the date of this report the ultimate parent undertaking was INEOS A G, a company registered in Switzerland

The ultimate controlling party is Mr J A Ratcliffe, director and majority shareholder in the ultimate parent undertaking INEOS A G