INEOS Industries Limited

Directors' report and financial statements
Registered number 6959146
Year ended – 31 December 2014

TABLE OF CONTENTS

Section 1 - Strategic Report and Directors' Report

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report on the Group and Company for the year ended 31 December 2014.

Results for the year
The results of the Group are set out in the consolidated income statement on page 12 which shows a profit from continuing operations before taxation for the year of €354.1 million (2013: €3.9 million).

Review of business developments

During 2014 the Group has continued to expand and develop its portfolio of businesses.

On 1 October 2014 the Group acquired the Grangemouth Combined Heat and Power ('CHP') business from Fortum for a consideration of €69.6 million. Grangemouth CHP is a natural gas fired combined heat and power plant located at the Grangemouth petrochemical site in Scotland. The plant will provide electricity and steam to Ineos petrochemical operations.

On 17 November 2014 the Group acquired the remaining 50% of the shares in Styrolution Holding GmbH for a consideration of €1,108.7 million from BASF SE. The Styrolution business was founded in October 2011 as a 50/50 joint venture with BASF, and is the leading global styrenics supplier. Styrolution provides styrenic applications for many everyday products across a broad range of industries including automotive, electronics, household, construction, healthcare and toys. It employs approximately 3,200 people and operates 17 production facilities in ten countries. The acquisition was financed by a Senior Secured Term Loan of approximately €1,050 million issued by Styrolution, together with a €200 million PIK Toggle Loan from INEOS Holdings Limited, a related party. The Group will look to integrate the operations of the ABS US business with Styrolution during 2015.

The ABS US, Styrenics EPS, Chlorotoluenes and Melamines businesses have continued to perform satisfactorily during the year. INEOS Bio has continued to develop a commercial scale bio energy facility in Vero Beach, Florida. The Bio business has made further operational progress during the year, and is moving towards a stable operational performance.

The Group's strategy is to develop its portfolio of businesses further with its main focus on the styrenics segment of petrochemicals and the upstream businesses in the North Sea

Principal risks and uncertainties
The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below:

- The petrochemical industries are cyclical — changing market demands and prices may negatively affect the Group's operating margins and impair its cash flow which, in turn, could affect its ability to make payments on its debt or to make further investments in the business.

- Raw materials and suppliers — if the Group is unable to pass on increases in raw material prices, or to retain or replace its key suppliers, its results of operations may be negatively affected.

- International operations and currency fluctuations — the Group is exposed to currency fluctuation risks as well as to economic downturns and local business risks in several different countries that could adversely affect its profitability.

- Competition — significant competition in the Group's industries, whether through efforts of new and current competitors or through consolidation of existing customers, may adversely affect its competitive position, sales and overall operations.

- Inability to maximize utilization of assets — the Group may be adversely affected if it is unable to implement its strategy to maximize utilization of assets.

- Synergies — the Group may not realize anticipated revenue and cost synergies, benefit from anticipated business opportunities or experience anticipated growth from any of its acquisitions.

- Substantial leverage — if interest rates rise or trading performance deteriorates the Group's substantial debt burden increases the risk for the Group's position and performance.

Key performance indicators
The main KPI of the business is earnings before interest, taxation, depreciation, amortisation and exceptional items ("EBITDA"). Management closely monitors EBITDA compared to budget and prior year. Details of actual and comparative EBITDA results are provided below:

	2014	2013
	€m	
Operating loss	(49.3)	(36.7)
Depreciation charge for the year	39.1	11.8
Amortisation charge for the year	16.6	0.6
Exceptional administrative expenses	25.8	26.6
EBITDA	32.2	2.3

On behalf of the Board:

G Leask
Director
20 November 2015

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and audited consolidated and company financial statements of the Group and the Company for the year ended 31 December 2014.

Principal activities

The principal activities of the Group are the manufacture and sale of a range of chemicals used in a variety of applications.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group where appropriate. The Group is exposed to commodity price risk as a result of its operations and seeks to mitigate this risk through various purchasing strategies. The Group manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. See Note 22 of the financial statements for information on financial instruments, interest risk, liquidity risk and foreign currency risk.

Future developments

On 11 October 2015 the Group agreed to acquire the UK North Sea natural gas assets of DEA Deutsche Erdoel AG, which is part of the LetterOne Group. The acquisition is subject to clearance with the relevant competition authorities. This acquisition represents the initial stage of the Group expanding its interests in assets in the UK North Sea.

Research and development

The Group's research and development team develops new applications for its higher margin and less cyclical speciality chemicals, provides support to the Group's customers and seeks to improve the efficiency of the Group's manufacturing processes. The research and development team also leads the Group's efforts with respect to the development and capacity expansions of the plants and maintaining and improving safety and environmental standards. The Group spent approximately €7.2 million (2013: €4.0 million) on research and development during the year.

Proposed dividend

The directors of the Company have proposed and paid a dividend of €4.0 million (20.19 per share) during the year (2013: €nil).

Political and charitable contributions

As part of its ongoing investment programme, INEOS Industries Limited and its subsidiaries actively support a variety of initiatives in communities in which it operates. Charitable donations made during the year amounted to €nil (2013: €5,000) for a variety of charitable purposes. Neither the Company nor its subsidiary undertakings made any donations or subscriptions for political purposes.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Directors

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

Mr G Leask
Mr J Dawson (resigned 1 September 2014)
Mr J Ginns

Employees

The Group has developed voluntary practices and procedures for employee involvement appropriate to their own circumstances and needs. The Group encourages this approach to provide information and consultation and believes that this promotes a better understanding of the issues facing the individual business in which the employee works. The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group by issuing communications on the Group intranet and holding employee information meetings hosted by the board and operating a bonus scheme linked to the business performance. The Group consults employees or their representatives through the works council on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Health and safety

Our facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations in all of the jurisdictions in which we operate. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

Our operations are currently in material compliance with all HSSE laws, regulations and permits. We actively address compliance issues in connection with our operations and properties and we believe that we have systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on us.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the consolidated and company 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 Group financial statements in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union, and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Framework Disclosure.*

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 its subsidiaries 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;
- state whether applicable IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Company financial statements respectively;
- notify the shareholders about the use of disclosures exemptions if any, of FRS 101 used in the preparation of these financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and/or 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

Each of the persons who is a director at the date of approval of these financial statements confirms that:

(i) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware.

(ii) each director has taken all the steps that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they will be reappointed will be proposed at the annual general meeting.

On behalf of the Board:

G Leask
Director
20 November 2015
Registered number 6959146

Section 2 - Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INEOS INDUSTRIES LIMITED

Report on the group financial statements

Our opinion

In our opinion, INEOS Industries Limited's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated balance sheet as at 31 December 2014;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated 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 IFRSs as adopted by the European Union.

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 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. 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INEOS INDUSTRIES LIMITED

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.

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 group'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 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.

Other matter

We have reported separately on the company financial statements of INEOS Industries Limited for the year ended 31 December 2014.

Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 November 2015

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
		€m	
Revenue		1,473.9	1,007.1
Cost of sales		(1,417.8)	(924.2)
Gross profit		56.1	82.9
Distribution costs		(57.2)	(36.8)
Administrative expenses		(22.4)	(56.2)
Exceptional administrative expenses	3	(25.8)	(26.6)
Total administrative expenses		(48.2)	(82.8)
Operating loss	4	(49.3)	(36.7)
Share of profit of associates and joint ventures using the equity accounting method		54.8	58.9
Profit on disposal of investment	2	405.4	-
Profit on disposal of businesses		-	0.7
Profit before net finance costs		410.9	22.9
Finance income	7	8.8	2.9
Finance costs	7	(65.6)	(21.9)
Net finance costs		(56.8)	(19.0)
Profit before taxation		354.1	3.9
Tax credit/(charge)	8	42.7	(5.2)
Profit/ (loss) for the year		396.8	(1.3)
Attributable to:			
Owners of parent		406.4	3.6
Non-controlling interest		(9.6)	(4.9)
Profit/ (loss) for the year		396.8	(1.3)

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
		€m	
Profit/ (loss) for the year		396.8	(1.3)
Other comprehensive (expenses)/income			
Items that will not be recycled to profit or loss:			
Remeasurement of post-employment benefit plans, net of tax	18	(12.6)	1.7
Share of other comprehensive income of associates and joint ventures		(2.0)	4.1
		(14.6)	5.8
Items that may subsequently be recycled to profit or loss:			
Foreign exchange translation differences, net of tax		24.7	(0.3)
Share of other comprehensive income of associates and joint ventures		45.0	(28.4)
Reclassification of share of other comprehensive income of joint venture		(16.6)	-
		53.1	(28.7)
Other comprehensive income/(expenses) for the year, net of tax		38.5	(22.9)
Total comprehensive income/(expenses) for the year		435.3	(24.2)

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014	2013	1 January 2013
			€m	
Non-current assets				
Property, plant and equipment	9	1,143.8	152.2	151.9
Intangible assets	10	1,642.0	1.9	1.2
Investments in equity-accounted investees	11	8.0	630.6	594.9
Trade and other receivables	15	82.9	44.3	-
Other financial assets	12	4.0	4.0	4.0
Deferred tax assets	13	-	12.5	12.0
Total non-current assets		2,880.7	845.5	764.0
Current assets				
Inventories	14	581.2	76.1	73.6
Trade and other receivables	15	799.2	185.4	201.9
Tax receivables		80.4	-	-
Cash and cash equivalents		404.1	48.7	47.9
Total current assets		1,864.9	310.2	323.4
Total assets		4,745.6	1,155.7	1,087.4
Equity attributable to owners of the parent				
Share capital	20	-	-	-
Other reserves		15.6	(22.9)	-
Retained earnings		948.8	546.4	534.8
Total shareholders' funds		964.4	523.5	534.8
Non-controlling interest		(3.7)	(7.8)	(3.1)
Total equity		960.7	515.7	531.7
Non-current liabilities				
Interest-bearing loans and borrowings	16	1,562.2	105.9	67.2
Trade and other payables	17	267.2	143.2	226.6
Deferred tax liabilities	13	411.5	-	-
Employee benefits	18	104.3	51.2	49.8
Provisions	19	74.6	8.7	3.4
Total non-current liabilities		2,419.8	309.0	347.0
Current liabilities				
Interest-bearing loans and borrowings	16	59.7	1.8	39.4
Trade and other payables	17	1,175.0	306.8	165.0
Tax payables		74.7	1.0	4.3
Provisions	19	55.7	21.4	-
Total current liabilities		1,365.1	331.0	208.7
Total liabilities		3,784.9	640.0	555.7
Total equity and liabilities		4,745.6	1,155.7	1,087.4

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

The financial statements on pages 12 to 74 were approved by the Board of Directors on 20 November 2015 and signed on its behalf by:

G Leask
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital	Other Reserves	Retained earnings	Total share-holders' funds	Non-controlling interest	Total equity
			€m			
Balance at 1 January 2013	-	-	534.8	534.8	(3.1)	531.7
Profit/(loss) for the year	-	-	3.6	3.6	(4.9)	(1.3)
Other comprehensive income:						
Foreign exchange translation differences	-	(0.3)	-	(0.3)	0.2	(0.1)
Remeasurements of post-employment benefit plans	-	1.7	-	1.7	-	1.7
Share of other comprehensive income of assoicates and joint ventures	-	(24.3)	-	(24.3)	-	(24.3)
Transactions recorded directly in equity:						
Amount arising on common control transaction	-	-	8.0	8.0	-	8.0
Balance at 31 December 2013	-	(22.9)	546.4	523.5	(7.8)	515.7
Profit/ (loss) for the year	-	-	406.4	406.4	(9.6)	396.8
Other comprehensive income:						
Foreign exchange translation differences	-	24.7	-	24.7	(0.7)	24.0
Remeasurements of post-employment benefit plans	-	(12.6)	-	(12.6)	-	(12.6)
Share of other comprehensive income of assoicates and joint ventures	-	43.0	-	43.0	-	43.0
Reclassification of share of other comprehensive income of joint venture	-	(16.6)	-	(16.6)	-	(16.6)
Transactions recorded directly in equity:						
Acquisition through business combinations	-	-	-	-	14.4	14.4
Dividend	-	-	(4.0)	(4.0)	-	(4.0)
Balance at 31 December 2014	-	15.6	948.8	964.4	(3.7)	960.7

Analysis of Other Reserves:

	Translation reserve	Remeasurement of post-employment benefit plans	Total other reserves
		€m	
Balance at 1 January 2013	-	-	-
Foreign exchange translation differences, net of tax	(0.3)	-	(0.3)
Remeasurements of post-employment benefit plans, net of tax	-	1.7	1.7
Share of other comprehensive income of assoicates and joint ventures	(28.4)	4.1	(24.3)
Balance at 31 December 2013	(28.7)	5.8	(22.9)
Foreign exchange translation differences, net of tax	24.7	-	24.7
Remeasurements of post-employment benefit plans, net of tax	-	(12.6)	(12.6)
Share of other comprehensive income of assoicates and joint ventures	45.0	(2.0)	43.0
Reclassification of share of other comprehensive income of joint venture	(16.6)	-	(16.6)
Balance at 31 December 2014	24.4	(8.8)	15.6

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014	2013
		€m	
Cash flows from operating activities			
Profit/ (loss) for the year		396.8	(1.3)
Adjustments for:			
Depreciation	9	39.1	11.8
Amortisation	10	16.6	0.6
Net finance costs	7	56.8	19.0
Share of proft of equity-accounted investees		(54.8)	(58.9)
Loss on sale of property, plant and equipment		-	7.1
Profit on disposal of investments	2	(405.4)	-
Profit on disposal of businesses		-	(0.7)
Tax (credit) /charge	8	(42.7)	5.2
Decrease in trade and other receivables		236.1	19.2
Decrease in inventories		47.6	2.1
(Increase) /decrease in trade and other payables		(128.8)	27.5
Decrease in provisions and employee benefits		(9.2)	(1.3)
Tax paid		(5.8)	(9.7)
Net cash from operating activities		146.3	20.6
Cash flows from investing activities			
Interest and other finance income received		5.4	0.5
Dividends received		0.4	0.3
Loans received from related parties		27.6	39.9
Loans granted to related parties		-	(18.3)
Acquisition of subsidiaries, net of cash acquired	2	(458.4)	(5.9)
Acquisition of property, plant and equipment	9	(75.9)	(18.8)
Acquisition of intangible assets	10	(3.9)	-
Acquisition of other investments		-	(16.3)
Net cash used in investing activities		(504.8)	(18.6)
Cash flows from financing activities			
Proceeds from term loans		587.1	-
Proceeds from PIK toggle loan		200.0	-
Proceeds from securitisation facility		-	4.4
Repayment of other borrowings		(17.9)	-
Interest paid		(18.0)	(5.4)
Debt issue costs		(35.4)	-
Dividend paid	21	(4.0)	-
Net cash generated/ (used) in financing activities		711.8	(1.0)
Net increase in cash and cash equivalents		353.3	1.0
Cash and cash equivalents at 1 January		48.7	47.9
Effect of exchange rate fluctuations on cash and cash equivalents		2.1	(0.2)
Cash and cash equivalents at 31 December		404.1	48.7

The notes on pages 17 to 74 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Overview

INEOS Industries Limited (the "Company") is a private company limited by shares incorporated and domiciled in the UK. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG. The principal activities of the Group are the manufacture and sale of a range of chemicals used in a variety of applications.

Basis of accounting

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates and jointly controlled entities.

The Group financial statements have been prepared on a going concern basis and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("Adopted IFRSs") effective as of 31 December 2014 and with the Companies Act 2006 as applicable to companies using Adopted IFRSs.

The Group has prepared its financial statements in accordance with Adopted IFRSs for the first time for the year ended 31 December 2014 and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 31.

The preparation of financial statements in conformity with Adopted IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 28.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the derivative financial instrument and financial instruments classified as fair value through profit and loss are stated at their fair value and 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.

Functional and presentation currency

These Group financial statements are presented in euro, which is the functional currency of the majority of operations. The Group primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in Euros. The exchange rate as at 31 December 2014 was €1:$0.8220 and €1:£1.2791.

All amounts in the financial statements have been rounded to the nearest €0.1 million.

1. ACCOUNTING POLICIES (continued)

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Special purpose entities ("SPE")

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established two SPEs, Styrolution Receivable Finance Limited and Deutsche Bank Mexico F/1787 Styrolution, for a debt securitisation programme. The Group does not have any direct or indirect shareholdings in these SPEs.

Styrolution Receivables Finance Limited is a special-purpose entity formed by the Group to purchase receivables from Group entities for purposes of a securitization of such financial assets and is, in substance, controlled by the Group.

1. ACCOUNTING POLICIES (continued)

Deutsche Bank Mexico F/1787 Styrolution is a Mexican Trust established by the Group to purchase receivables from Styrolution Mexicana S.A. de C.V. for the purposes of securitization of such assets. Styrolution Receivables Finance Limited is the first beneficiary of this Trust. It is therefore also, in substance, controlled by the Group.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign exchange

Transactions in foreign currencies are translated to the respective functional currencies of Group entities 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. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying

1. ACCOUNTING POLICIES (continued)

cash flow hedges, which are recognised directly in other comprehensive income. 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.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in equity, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

a. they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b. where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

1. ACCOUNTING POLICIES (continued)

Trade and other payables

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in loans and receivables are stated at amortised cost less impairment.

Other investments in debt and equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised in other comprehensive income (in a fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss. Where no reliable measurement of fair value is available, available-for-sale investments are stated at historic acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

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.

Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent re-measurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the consolidated income statement as finance income or expense.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss, e.g. when interest income or expense is recognised.

1. ACCOUNTING POLICIES (continued)

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and included in the consolidated income statement as an adjustment to revenue and cost of sales in the same period or periods during which the hedged forecast transaction affects revenue and cost of sales in the consolidated income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the consolidated income statement immediately.

Hedge of net investment in foreign operation
The Group applies hedge accounting to foreign exchange differences arising on the retranslation of a foreign currency loan where the loan is designated as a hedge of a net investment in a foreign operation in accordance with IAS 21 and IAS 39.

Exchange differences arising on retranslation of foreign currency loans designated as a net investment hedge are taken directly to equity via the consolidated statement of comprehensive income. Gains and losses accumulated in the translation reserve will be recycled to the statement of comprehensive income when the foreign operation is sold.

Property, plant and equipment

Property, plant and equipment is stated at historic cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Capital work in progress is held as assets under construction until fully commissioned and transferred into active use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. The assets are depreciated over the shorter of their useful life or asset lease term. Accounting for lease payments is described ahead.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

- Buildings: 10 – 40 years
- Plant and machinery, fixtures and fittings and motor vehicles: 3 – 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

1. ACCOUNTING POLICIES (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use.. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Business combinations, goodwill and intangible assets

Business Combinations

All business combinations are accounted for by applying the acquisition method except acquisitions under common control which are outside the scope of IFRS 3. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2013

For acquisitions on or after 1 January 2013, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions prior to 1 January 2013

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2013. In respect of acquisitions prior to 1 January 2013, goodwill is included at 1 January 2013 on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, certain items recognised as other intangibles under Adopted IFRSs have been separately accounted for with appropriate adjustments against goodwill and amortisation of goodwill ceased as required by IFRS 1. The classification and accounting treatment of business combinations that occurred prior to 1 January 2013 by merger accounting was not reconsidered.

Acquisitions under common control

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in the retained earnings.

1. ACCOUNTING POLICIES (continued)

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries. All transaction costs are expensed as incurred.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. At INEOS, cash generating units are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise the following assets

- intellectual property rights;
- customer relationships;
- non-compete agreements;
- license fees and
- evaluation and exploration expenditures.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

• License fees	up to 15 years
• Customer lists	up to 12 years
• Intellectual property rights	10 – 15 years
• Non-compete agreements	life of the agreement

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

The amortisation is recognised in administrative expenses in the consolidated income statement.

Research and development

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

1. ACCOUNTING POLICIES (continued)

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Exploration and evaluation activities

Exploration and evaluation expenditures

Shale Gas Exploration costs are accounted for under the successful efforts method by geographical area with an assessment of commercial viability of those areas performed on a periodic basis.

Costs directly associated with an exploration site are initially capitalised as an intangible asset until the evaluation of the site is complete and the results have been evaluated. These costs include topographical, geological, geophysical and geochemical studies, civil costs, exploratory drilling and testing, sampling, trenching, contractor charges, materials and fuels used, manpower and associated overheads. In the case that the expenditure will not be immediately allocated to a site, it will be capitalised against the wider licensed region and then subsequently allocated to the site using an appropriate method of apportionment. Other costs are initially capitalised as property, plant and equipment and these include drillings rigs, seismic equipment and other plant and machinery used in the exploration activity.

Pre-license costs incurred prior to acquiring the legal rights (or a share of the legal rights) to explore an area are expensed to the income statement as they are incurred and are not subsequently capitalised.

Impairment of exploration and evaluation expenditure

Exploration and Evaluation expenditure is tested for impairment whenever circumstances suggest that it may be impaired, which includes licences to be relinquished, no substantive plans for further exploration of an area or where there is indication that exploration costs are unlikely to be fully recovered through future development or sale.

Impairment excluding inventories and deferred tax assets

The carrying amounts of the Group's assets are assessed at the end of the reporting period to determine whether there is any indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

1. ACCOUNTING POLICIES (continued)

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of the Group's receivables is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables are not discounted where their duration is less than one year or where the effect of discounting is not material.

The recoverable amount of other assets is the greater of their fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of average cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing the inventory to its present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

Commodities

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

1. ACCOUNTING POLICIES (continued)

Employee benefits

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

All actuarial gains and losses as at 1 January 2013, the date of transition to IFRSs, were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2013, the Group recognises them in the year they occur directly in equity through the statement of comprehensive income.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses ;
- net finance costs; and
- in net expense recognised directly in equity, the re-measurements of post-employment benefit obligations.

1. ACCOUNTING POLICIES (continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised in the balance sheet where the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Restructuring provisions

Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring.

The Group can be exposed to environmental liabilities relating to its past operations, principally in respect of soil and groundwater remediation costs. Provision for these costs are made when expenditure on remedial work is probable and the cost can be estimated within a reasonable range of possible outcomes.

Decommissioning and restoration provisions

The Group makes full provision for the future costs of the decommissioning and restoration of exploration and evaluation facilities on a discounted basis. The decommissioning and restoration provision relates to the total cost of cementing and plugging the existing wells and any costs associated with returning the sites to their original use.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Revenue

Revenue represents the invoiced value of products sold or services provided to third parties net of sales discounts, value added taxes and duties. Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and it can be reliably measured.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are either dispatched or delivered depending on the relevant delivery terms and the point at which risks and rewards have been transferred to the buyer when the prices are determinable and when collectability is considered probable.

Services provided to third parties include administrative and operational services provided to other chemical companies with units on our sites and services under tolling arrangements. Under tolling arrangements, customers pay for or provide raw materials to be converted into a certain specified product, for which the Group charges a toll fee. The Group only recognises the toll fee as turnover earned under such arrangements upon shipment of the converted product to the customer. For all other services, revenue is recognised upon completion of the service provided.

1. ACCOUNTING POLICIES (continued)

Government grants

Government grants are shown in the consolidated balance sheet as deferred income. This income is amortised on a straight line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and expenses

Interest income and interest payable is recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established.

Finance costs comprise interest payable, finance charges on finance leases, unwinding of the discount on provisions, net fair value losses derivatives and foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy). Finance income comprise interest receivable on funds invested and from related party loans, interest on the defined benefit plan assets, net fair value gain on derivatives and foreign exchange gains.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, 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 end of the reporting period. 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.

1. ACCOUNTING POLICIES (continued)

Emission trading scheme

The Group participates in the EU Emissions Trading Scheme. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU Emissions Trading Scheme is recognised in the consolidated income statement once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. The Group recognises the revenue from such permits upon their sale to third parties.

The Kyoto Protocol sets legally binding targets for cutting emissions and provides for three international "flexible mechanisms" to be used by developed countries in cost effectively meeting their greenhouse gas emissions targets, one of which is the Clean Development Mechanism ("CDM"). This permits industrialised countries to meet part of their commitments through projects in developing countries. The CDM programme provides incentives for the project participants in the form of Certified Emissions Reductions ("CERs"). It is the trading of these CERs that provides the market incentive to reduce emissions. The Group is involved in a number of CDM projects. CERs produced from these projects are recorded at nil cost. CERs purchased from third parties are recognised within stock on the basis of purchased cost. The Group recognises the revenue from sale of CERs upon their sale to third parties.

The Group recognises a provision for emissions produced. The provision is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

Exceptional items

The presentation of the Group's results separately identifies the effect of profits and losses on the disposal of businesses, the impairment and the reversal of impairment of non-current assets, the cost of restructuring acquired businesses and the impact of one off events such as legal settlements as exceptional items. Results excluding disposals, impairments, restructuring costs and one off items are used by management and are presented in order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business.

1. ACCOUNTING POLICIES (continued)

Accounting standards not applied

The following IFRSs relevant to the Group have been endorsed by the EU were available for early application but have not been applied by the Group in these financial statements. The impact of their adoption is currently being assessed and is not expected to have a material effect on the financial statements unless otherwise indicated:

- *Defined Benefit Plans: Employee Contributions – Amendments to IAS 19* (mandatory for year commencing on or after 1 February 2015).

  The amendments introduce a relief that will reduce complexity and burden of accounting for certain contributions from employees or third parties. When the contributions are eligible for the practical expedient, the company is permitted (but not required to) recognise them as a reduction of the service cost in the period in which the related service is rendered. The amendment also clarifies the accounting for those companies who do not apply the practical expedient.
- *IFRIC 21 Levies* (mandatory for year commencing on or after 17 June 2014).

  The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. That levy is recognised as a liability when – and only when – the triggering event specified in the legislation occurs.
- *Annual Improvements to IFRSs – 2010-2012 Cycle* (mandatory for year commencing on or after 1 February 2015).
  - IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* – clarifies that the requirements of the revaluation model under both the standards, recognising that the restatement of accumulated depreciation (amortisation) is not always proportionate to the change in the gross carrying amount of the asset.
  - IAS 24 *Related Party Disclosures* – the definition of 'related party' has been extended to include a management entity that provides key managerial person (KMP) services.
  - IFRS 2 *Share-based Payments* – provides clarification on the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'.
  - IFRS 3 *Business Combinations* – the amendments clarify the classification and measurement of contingent consideration.
  - IFRS 8 *Operating Segments* – the standard has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria.
  - IFRS 13 *Fair Value Measurements* – clarifies that IASB did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

- *Annual Improvements to IFRSs – 2011-2013 Cycle* (mandatory for year commencing on or after 1 January 2015).
  - IAS 40 *Investment Property* – has been amended to clarify that an entity should assess whether an acquired property is an investment property and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.
  - IFRS 1 *First-time Adoption of International Financial Reporting Standards* - provides clarification that a first time adopter is permitted but not required to early adopt a new or revised IFRS.
  - IFRS 3 *Business Combinations* – the scope of the standard has been amended to exclude all types of formations under IFRS 11 in the financial statements of joint arrangements themselves.
  - IFRS 13 *Fair Value Measurements* – the scope of the IFRS 13 portfolio exception has been aligned with the scope of IAS 39.

2. ACQUISITIONS OF SUBSIDIARIES

Acquisitions in the current year

Styrolution Holding GmbH

On 17 November 2014, the Group acquired the remaining 50% of the shares in Styrolution Holding GmbH for €1,108.7 million from BASF SE. Styrolution was previously a 50/50 joint venture between the Group and BASF. The company is a global styrenics supplier with a focus on styrene monomer, polystyrene, ABS (acrylonitrile butadiene styrene) and styrenic specialties. From the acquisition date to 31 December 2014 the subsidiary contributed a net loss of €63.8 million to the consolidated net profit for the year.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition €m
Acquiree's net assets at the acquisition date:	
Property, plant and equipment	865.8
Intangible assets	931.8
Investments	0.3
Inventories	536.0
Trade and other receivables	803.4
Cash and cash equivalents	519.2
Deferred tax liabilities	(449.4)
Provisions	(117.1)
Trade and other payables	(1,521.0)
Minority interest	(14.4)
Net identifiable assets and liabilities	1,554.6
Consideration paid:	
Cash	908.7
Deferred consideration	200.0
Fair value of previously held equity interest	1,108.8
Total consideration paid	2,217.5
Difference between consideration and net assets acquired	662.9

The difference between consideration and net assets acquired has been recognised as goodwill within intangible assets in Note 10.

Acquisition related costs

The Group incurred acquisition related costs of €11.7 million mainly related to legal and professional fees. These costs have been included in exceptional administrative expenses in the Group's consolidated income statement.

Acquired receivables

The fair value of acquired receivables was €803.4 million. The gross contractual amounts receivable are €803.4 million and, at the acquisition date, €6.9 million of contractual cash flows were not expected to be received.

2. ACQUISITIONS OF SUBSIDIARIES (continued)

Prior to the acquisition date, the Group's interest in the Styrolution joint venture was accounted for in accordance with the equity method of accounting. As a result of the acquisition the previously held interest of 50% has been disposed of for a fair value of €1,108.8 million, being the equivalent of the value paid to BASF for their 50% holding. Therefore the gain on the previously held equity interest in Styrolution has been calculated as follows:

	Gain on disposal of investment €m
Fair value of previously held equity interest	1,108.8
Reclassification of share of other comprehensive income of Styrolution	16.6
Carrying value of equity accounted investment	(720.0)
Gain on previously held interest in Styrolution recognised in income statement	405.4

Grangemouth CHP Limited

On 1 October 2014, the Group acquired all of the ordinary shares in Grangemouth CHP Limited for €69.6 million, satisfied in cash. The primary business of Grangemouth CHP Limited is to sell the steam and electricity from its plant in Grangemouth to Petroineos Manufacturing Scotland Limited (a Joint venture between INEOS AG and Petrochina). From the acquisition date to 31 December 2014 the subsidiary contributed a net profit of €3.3 million to the consolidated net profit for the year.

Effect of acquisition

	Recognised values on acquisition €m
Acquiree's net assets at the acquisition date:	
Property, plant and equipment	60.1
Intangible assets	48.0
Inventories	2.6
Trade and other receivables	9.2
Cash and cash equivalents	0.7
Trade and other payables	(42.1)
Deferred tax liabilities	(8.9)
Net identifiable assets and liabilities	69.6
Consideration paid:	
Cash	69.6
Difference between consideration and net assets acquired	-

2. ACQUISITIONS OF SUBSIDIARIES (continued)

Acquisition related costs

The Group incurred acquisition related costs of €1.9 million related to legal fees and stamp duty. These costs have been included in exceptional administrative expenses in the Group's consolidated income statement.

Acquired receivables

The fair value of acquired receivables was €9.2 million. The gross contractual amounts receivable are €9.2 million and, at the acquisition date, €nil of contractual cash flows were not expected to be received.

Acquisitions in the prior year

On 1 January 2013 the Group acquired the trade and assets of the Organic Chlorine Derivatives business of INEOS ChlorVinyls Belgium NV and 100% of the share capital of INEOS Maastricht BV, which are related parties, for a net consideration of €4.9 million. The business was renamed INEOS ChloroToluenes. The business takes key raw materials of chlorine, toluene and ortho-chlorotoluene to make a range of products which are used in the manufacture of solvents, agro chemicals, pharmaceuticals and artificial fragrances. The primary reason for the business combination was to separate the business from Kerling plc as the product portfolio was more specialised with fewer competitors and higher margins. Its independence has allowed for greater focus on growth opportunities and control of costs.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities:

	Recognised values on acquisition €m
Acquiree's net assets at the acquisition date:	
Property, plant and equipment	5.9
Inventories	6.4
Trade and other receivables	1.4
Cash and cash equivalents	0.1
Trade and other payables	(0.9)
Net identifiable assets and liabilities	12.9
Consideration paid:	
Cash price paid	4.9
Difference between consideration and net assets acquired	(8.0)

This is a common control transaction and the difference between consideration and net assets acquired has been recognised in retained earnings.

In February 2013 INEOS Melamines GmbH bought customer lists and recipes from DSM Neoresins for a consideration of €1.0 million.

Acquisition related costs

The Group incurred acquisition related costs of €0.4 million related to duty fees, agency fees, notary fees and costs relating to the share capital on incorporation of INEOS ChloroToluenes Belgium NV and INEOS ChloroToluenes Holdings BV. These costs have been included in administrative expenses in the Group's consolidated income statement.

3. EXCEPTIONAL ITEMS

Exceptional expenses

Exceptional administrative expenses

	2014	2013
	€m	
Melamines LLC settlement of fine with Environmental Protection Agency	-	0.3
Restructuring of Styrenics operations	4.5	25.8
Other business restructuring expenses	6.4	0.5
Acquisition related costs	13.6	-
Other exceptional items	1.3	-
	25.8	26.6

Other business restructuring expenses for 2014 include a programme of planned restructuring following the acquisition of Styrolution Holding GmbH.

Acquisition related costs include €11.7 million (2013: €nil) related to the acquisition of Styrolution Holding GmbH and €1.9 million (2013: €nil) related to the acquisition of Grangemouth CHP Limited. The nature of these costs is explained in Note 2.

4. OPERATING LOSS

Included in operating loss are the following:

	2014	2013
	€m	
Research expensed as incurred	7.2	4.0
Amortisation of other intangible assets	16.6	0.6
Loss on disposal of property, plant and equipment	-	7.1
Amortisation of government grants	(2.8)	(2.6)
Depreciation and impairment of property, plant and equipment:		
Owned assets	39.1	11.8
Operating lease rental charges:		
Plant, machinery and equipment	0.2	1.4
Other	3.3	0.1

Auditors' remuneration:

	2014	2013
	€m	
Audit of these financial statements	0.1	0.1
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	0.6	0.2
	0.7	0.3

5. STAFF NUMBERS AND COSTS

The average monthly number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2014	2013
Operations	922	565
Administration	134	97
Research and development	85	22
	1,141	684

The aggregate payroll costs of these persons were as follows:

	2014	2013
	€m	
Wages and salaries	84.1	41.6
Social security costs	10.8	7.6
Expenses related to defined contribution pension plans	8.6	1.9
Expenses related to defined benefit pension plans	2.8	1.9
	106.3	53.0

6. DIRECTORS' REMUNERATION

The directors did not receive any emoluments of their services to the company during the year (2013: €nil).

7. FINANCE INCOME AND COSTS

Recognised in profit or loss

	2014	2013
	€m	
Finance income		
Interest receivable on bank balances	0.1	0.4
Interest receivable on related party balances	3.4	-
Other interest receivable	5.3	2.5
Total finance income	8.8	2.9
Finance costs		
Interest payable on bank loans and overdrafts	1.0	3.6
Interest payable on related party balances	17.9	-
Interest on employee benefit liabilities	2.0	1.7
Other finance charges	28.0	14.3
Exchange movements	16.7	2.3
Total finance costs	65.6	21.9
Net finance costs	56.8	19.0

8. TAX CHARGE

Taxation recognised in the consolidated income statement

	2014	2013
	€m	
Current tax expense		
Current year	0.4	-
Adjustments in respect of prior years	0.2	
Total current tax expense	0.6	-
Foreign tax expense		
Current year	(4.9)	4.4
Adjustments in respect of prior years	(0.7)	1.9
Total foreign tax expense	(5.6)	6.3
Deferred tax expense		
Origination and reversal of temporary differences	(23.9)	-
Adjustments in respect of prior years	(13.8)	(1.1)
Deferred tax expense (see Note 13)	(37.7)	(1.1)
Total tax (credit)/ charge	(42.7)	5.2

Reconciliation of effective tax rate

	2014	2013
	€m	
Profit before taxation	354.1	3.9
Tax using the UK corporation tax rate of 21.50% (2013: 23.25%)	76.1	0.9
Non-deductible expenses/tax exempt revenues	(104.3)	(18.6)
Effect of tax rates in foreign jurisdictions	(14.6)	3.0
Utilisation of tax losses brought forward	-	17.5
Other short-term timing differences	-	0.5
Deferred tax not recognised	14.4	-
Adjustments in respect of prior years	(14.3)	1.9
Total tax (credit)/ charge	(42.7)	5.2

Taxation recognised in other comprehensive income

	2014			2013		
	Gross	Tax	Net	Gross	Tax	Net
	€m					
Remeasurements of post-employment benefit obligations	(17.1)	4.5	(12.6)	2.4	(0.7)	1.7
Total	**(17.1)**	**4.5**	**(12.6)**	**2.4**	**(0.7)**	**1.7**

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and machinery, fixtures and fittings, and motor vehicles	Assets under construction	Total
		€m		
Cost				
Balance at 1 January 2013	15.0	154.3	14.0	183.3
Acquisition through common control transactions	3.2	2.5	0.2	5.9
Additions	1.3	4.9	12.6	18.8
Disposals	(0.4)	(14.5)	-	(14.9)
Transfers	0.2	5.0	(4.0)	1.2
Effect of movements in foreign exchange	(0.4)	(5.0)	(0.8)	(6.2)
Balance at 31 December 2013	18.9	147.2	22.0	188.1
Acquisition through business combinations	160.1	565.7	200.1	925.9
Additions	1.1	22.7	52.1	75.9
Disposals	(0.3)	(7.8)	(4.3)	(12.4)
Reclassifications	1.6	140.2	(132.3)	9.5
Effect of movements in foreign exchange	3.2	28.7	5.9	37.8
Balance at 31 December 2014	184.6	896.7	143.5	1,224.8
Accumulated depreciation and impairment				
Balance at 1 January 2013	2.1	29.3	-	31.4
Depreciation charge for the year	0.5	11.3	-	11.8
Transfers	0.1	1.1	-	1.2
Disposals	-	(7.8)	-	(7.8)
Effect of movements in foreign exchange	(0.1)	(0.6)	-	(0.7)
Balance at 31 December 2013	2.6	33.3	-	35.9
Depreciation charge for the year	4.5	34.6	-	39.1
Disposals	(0.3)	(7.8)	(4.3)	(12.4)
Reclassifications	0.8	8.7	-	9.5
Effect of movements in foreign exchange	0.5	4.1	4.3	8.9
Balance at 31 December 2014	8.1	72.9	-	81.0
Net book value				
At 31 December 2013	16.3	113.9	22.0	152.2
At 31 December 2014	176.5	823.8	143.5	1,143.8

As part of the acquisition of Styrolution, the group acquired a building under finance lease. The net carrying amount of the building at balance sheet date is €1.6 million.

10. INTANGIBLE ASSETS

	Licence fees	Customer lists	Intellectual property rights	Non compete agreements	Evaluation and exploration cost	Goodwill	Total
			€m				
Cost							
Balance at 1 January 2013	1.7	-	-	-	-	-	1.7
Acquisitions - externally purchased	-	1.3	-	-	-	-	1.3
Balance at 31 December 2013	1.7	1.3	-	-	-	-	3.0
Acquisition through business combinations	23.5	746.1	172.2	38.0	-	662.9	1,642.7
Additions	-	-	0.8	1.3	1.8	-	3.9
Disposals	-	-	(0.1)	-	-	-	(0.1)
Reclassifications	(1.7)	1.8	0.1	-	-	-	0.2
Effect of movements in foreign exchange	0.7	8.3	2.0	-	-	-	11.0
Balance at 31 December 2014	24.2	757.5	175.0	39.3	1.8	662.9	1,660.7
Accumulated amortisation and impairment							
Balance at 1 January 2013	0.5	-	-	-	-	-	0.5
Amortisation charge for the year	0.3	0.3	-	-	-	-	0.6
Balance at 31 December 2013	0.8	0.3	-	-	-	-	1.1
Amortisation charge for the year	0.2	14.8	0.5	1.1	-	-	16.6
Reclassifications	(0.8)	0.4	0.6	-	-	-	0.2
Effect of movements in foreign exchange	-	0.8	-	-	-	-	0.8
Balance at 31 December 2014	0.2	16.3	1.1	1.1	-	-	18.7
Net book value							
At 31 December 2013	0.9	1.0	-	-	-	-	1.9
At 31 December 2014	24.0	741.2	173.9	38.2	1.8	662.9	1,642.0

Amortisation and impairment charge

The amortisation charge for 2014 and 2013 is recognised in administrative expenses in the consolidated income statement.

11. INVESTMENTS

11a. Investments in Equity–Accounted Investees

Details of the associated undertakings are set out below:

	Country of incorporation	Class of shares held	Ownership 2014	Ownership 2013
Styrolution Holdings GmbH	Germany	Ordinary	NA*	50%
Tricoya Technologies Limited	UK	Ordinary	50%	50%
Fluxel S.A.S	France	Ordinary	20%	20%

* On 17 November 2014, INEOS Industries Limited purchased the remaining 50% of shares in Styrolution Holdings GmbH from BASF SE (see Note 2).

11. INVESTMENTS (continued)

11a. Investments in Equity–Accounted Investees (continued)

	Joint ventures	Associated under-takings	Total
		€m	
At 1 January 2013	587.5	7.4	594.9
Share of profits retained	58.8	0.1	58.9
Dividends received	-	(0.3)	(0.3)
Share of other comprehensive income	(24.3)	-	(24.3)
Additions	1.4	-	1.4
At 31 December 2013	623.4	7.2	630.6
Dividends received	-	(0.4)	(0.4)
Share of profits/ (losses) retained	55.8	(1.0)	54.8
Share of other comprehensive income	43.0	-	43.0
Disposals	(720.0)	-	(720.0)
At 31 December 2014	2.2	5.8	8.0

All of the associated undertakings have December year ends. The reporting date of Tricoya Technologies Limited is 31 March.

Summary aggregated financial information on joint ventures:

	2014	2013
	€m	
Current assets	0.6	793.6
Non-current assets	1.4	1,012.5
Current liabilities	(1.3)	(500.7)
Non-current liabilities	-	(451.0)
Income	0.2	2,918.6
Expenses	(1.9)	(2,821.6)

Summary aggregated financial information on associates:

	2014	2013
	€m	
Assets	68.4	69.5
Liabilities	28.2	28.7
Revenues	35.6	33.3
Loss /(profit)	(1.0)	1.3

11. INVESTMENTS (continued)

11b. Investments in subsidiaries

	Country of incorporation	Class of shares held	Ownership 2014	Ownership 2013
INEOS Industries Holdings Limited*	UK	Ordinary	100%	100%
Grangemouth CHP Limited	UK	Ordinary	100%	-
INEOS Industries America I LLC	United States	Ordinary	100%	100%
INEOS Industries America II LLC	United States	Ordinary	100%	100%
INEOS ABS (USA) LLC	United States	Ordinary	100%	100%
INEOS Mexico S de RL de CV	Mexico	Ordinary	100%	100%
INEOS Bio USA LLC	United States	Ordinary	100%	100%
INEOS New Planet BioEnergy LLC	United States	Ordinary	80%	80%
INEOS Melamines LLC	United States	Ordinary	100%	100%
INEOS Styrenics US LLC	United States	Ordinary	100%	100%
INEOS ABS (UK) Limited	UK	Ordinary	100%	100%
INEOS Bio Holdings Limited	UK	Ordinary	80%	80%
INEOS Bio Limited	UK	Ordinary	80%	80%
INEOS Bio Resources Limited	UK	Ordinary	80%	80%
INEOS ChloroToluenes Limited	UK	Ordinary	100%	100%
INEOS ChloroToluenes Belgium NV	Belgium	Ordinary	100%	100%
INEOS ChloroToluenes Holdings BV	Netherlands	Ordinary	100%	100%
INEOS Maastricht BV	Netherlands	Ordinary	100%	100%
INEOS Healthcare Holdings Limited	UK	Ordinary	80%	80%
INEOS Healthcare Limited	UK	Ordinary	80%	80%
INEOS Melamines GmbH	Germany	Ordinary	100%	100%
INEOS Melamines Pte Ltd	Singapore	Ordinary	100%	100%
INEOS Styrenics European Holding B.V	Netherlands	Ordinary	100%	100%
INEOS Styrenics Holding France S.A.S	France	Ordinary	100%	100%
INEOS Styrenics Ribécourt S.A.S	France	Ordinary	100%	100%
INEOS Styrenics Wingles S.A.S	France	Ordinary	100%	100%
INEOS Styrenics Kimyasal Urunler L.S	Turkey	Ordinary	100%	100%
INEOS Styrenics Manufacturing GmbH	Germany	Ordinary	100%	100%
INEOS Styrenics Germany GmbH	Germany	Ordinary	100%	100%
INEOS Styrenics Netherlands B.V	Netherlands	Ordinary	100%	100%
INEOS Styrenics Services B.V	Netherlands	Ordinary	100%	100%
INEOS Styrenics Kimyasal Urunler L.S	Turkey	Ordinary	100%	100%
INEOS Styrenics UK Limited	UK	Ordinary	100%	100%
INEOS Styrenics GmbH	Germany	Ordinary	100%	100%
INEOS Styrenics International S.A	Switzerland	Ordinary	100%	100%
INEOS Upstream Limited	UK	Ordinary	100%	-
INEOS Vinyls Holdings Italia S.r.l.	Italy	Ordinary	100%	100%
INEOS Films Italia S.r.l.	Italy	Ordinary	100%	100%
INEOS Styrolution Holding GmbH	Germany	Ordinary	100%	-
Styrolution Holding GmbH	Germany	Ordinary	100%	-

11. INVESTMENTS (continued)

11b. Investments in subsidiaries (continued)

	Country of incorporation	Class of shares held	Ownership 2014	Ownership 2013
Styrolution Beteiligungs GmbH	Germany	Ordinary	100%	-
Styrolution Group GmbH	Germany	Ordinary	100%	-
Styrolution (Jersey) Limited	Jersey	Ordinary	100%	-
Styrolution (Thailand) Co., Ltd	Thailand	Ordinary	100%	-
Styrolution ABS (India) Ltd	India	Ordinary	75%	-
Styrolution Koeln GmbH	Germany	Ordinary	100%	-
Styrolution Belgium N.V	Belgium	Ordinary	100%	-
Styrolution do Brasil Polimeros Ltda	Brazil	Ordinary	100%	-
Styrolution France S.A.S	France	Ordinary	100%	-
Styrolution GmbH	Germany	Ordinary	100%	-
Styrolution Belgium N.V	Belgium	Ordinary	100%	-
Styrolution Kimyasal Urunler Ticaret Limited	Turkey	Ordinary	100%	-
Styrolution Schwarzheide GmbH	Germany	Ordinary	100%	-
Styrolution Holding Company	Mauritius	Ordinary	100%	-
Styrolution India Pv. Ltd	India	Ordinary	100%	-
Styrolution Iberia, S.L	Spain	Ordinary	100%	-
Styrolution Industries US LLC	United States	Ordinary	100%	-
Styrolution America LLC	United States	Ordinary	100%	-
INEOS Styrenics Receivables Company LLC	United States	Ordinary	100%	-
Styrolution Canada Limited	Canada	Ordinary	100%	-
Styrolution Industries US II LLC	United States	Ordinary	100%	-
Styrolution America LLC	United States	Ordinary	100%	-
Styrolution International S.A	Switzerland	Ordinary	100%	-
Styrolution Italia S.r.l	Italy	Ordinary	100%	-
Styrolution Kimyasal Urunler Ticaret Limited	Turkey	Ordinary	100%	-
Styrolution Korea Ltd	Korea	Ordinary	100%	-
Styrolution Mexicana S.A. de C.V	Mexico	Ordinary	100%	-
Styrolution Netherlands B.V	Netherlands	Ordinary	100%	-
Styrolution OOO	Russian Federation	Ordinary	100%	-
Styrolution Poland Sp. z.o.o	Poland	Ordinary	100%	-
Styrolution Polimeros de Mexico S.A. de C.V	Mexico	Ordinary	100%	-
Styrolution Services SAS	France	Ordinary	100%	-
Styrolution Servicios S.A. de C.V	Mexico	Ordinary	100%	-
Styrolution South East Asia Pte. Ltd	Singapore	Ordinary	100%	-
Styrolution Sweden AB	Sweden	Ordinary	100%	-
Styrolution Vietnam Co Ltd	Vietnam	Ordinary	100%	-
Styrolution UK Limited	UK	Ordinary	100%	-
Styrolution US Holding LLC	United States	Ordinary	100%	-
Styrolution USA LLC	United States	Ordinary	100%	-

*Held directly by the Company as at 31 December 2014.

12. OTHER FINANCIAL ASSETS

	2014	2013
	€m	
Non-current		
Available for sale financial assets	4.0	4.0
	4.0	4.0

Available for sale financial assets

Available for sale financial assets relate to a 5.43% investment in Accsys Technologies plc, a company registered in the UK whose principal activity is the development, commercialization and licensing of technology for the manufacture of Accoya wood, Tricoya wood elements and related acetylation technologies.

13. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2014		
	Assets	Liabilities	Total
		€m	
Property, plant and equipment	-	(184.7)	(184.7)
Intangible assets	-	(280.9)	(280.9)
Employee benefits	37.1	-	37.1
Tax value of loss carry-forwards	22.9	-	22.9
Others	-	(5.9)	(5.9)
Tax (assets)/liabilities	60.0	(471.5)	(411.5)
Set off of tax	(60.0)	60.0	-
Net tax assets/(liabilities)	-	(411.5)	(411.5)

	2013		
	Assets	Liabilities	Total
		€m	
Property, plant and equipment	-	(1.4)	(1.4)
Intangible assets	-	(3.6)	(3.6)
Employee benefits	16.0	-	16.0
Other	1.5	-	1.5
Tax (assets)/liabilities	17.5	(5.0)	12.5
Set off of tax	(5.0)	5.0	-
Net tax assets/(liabilities)	12.5	-	12.5

13. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Movement in deferred tax during the year

	Property, plant and equipment	Intangible assets	Employee benefits	Tax value of loss carry-forward utilised	Other	Total
			€m			
At 1 January 2013	0.3	(4.2)	15.9	-	-	12.0
Recognised in profit or loss	(1.7)	0.6	0.7	-	1.5	1.1
Recognised in other comprehensive income	-	-	(0.7)	-	-	(0.7)
Exchange adjustments	-	-	0.1	-	-	0.1
At 31 December 2013	(1.4)	(3.6)	16.0	-	1.5	12.5
Recognised in profit or loss	17.3	0.6	(5.4)	22.9	2.3	37.7
Recognised in other comprehensive income	-	-	4.5	-	-	4.5
Acquisition through business combination	(189.5)	(277.9)	22.0	-	(12.9)	(458.3)
Exchange adjustments	(11.1)	-	-	-	3.2	(7.9)
At 31 December 2014	(184.7)	(280.9)	37.1	22.9	(5.9)	(411.5)

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable based on an assessment of expected future profits modelled against the gross tax losses available over a period of 10 years. The Group did not recognise gross deductible temporary differences of €19.6 million (2013: €40.8 million).

The Group has not provided deferred tax in relation to temporary differences on its overseas subsidiaries or joint ventures as the Group can control the timing and realisation of these temporary differences, and it is probable that no material unprovided tax liability would arise.

14. INVENTORIES

	2014	2013
	€m	
Raw materials	174.5	30.4
Work in progress	204.7	1.0
Finished goods	202.0	44.7
	581.2	76.1

Raw materials, work in progress and finished goods recognised as cost of sales in the year amounted to €1,082.7 million (2013: €664.4 million). The net write-down of inventories to net realisable value amounted to €19.6 million (2013: €6.8 million) after the reversal of previous write downs of €9.1 million (2013: €0.1 million).

15. TRADE AND OTHER RECEIVABLES

	2014	2013
	€m	
Current		
Trade receivables	621.4	84.1
Amounts due from related parties	54.8	56.6
Other receivables	84.1	44.4
Prepayments and accrued income	38.9	0.3
	799.2	185.4
Non-current		
Amounts due from related parties	78.3	44.3
Prepayments and accrued income	0.4	-
Other receivables	4.2	-
	82.9	44.3

Credit quality of financial assets and impairment losses

The ageing of trade and other receivables at the end of the reporting period was:

2014	Trade receivables		Amounts due from related parties		Other receivables	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
	€m					
Not past due	612.5	-	133.1	-	84.5	-
Past due 0-30 days	8.3	-	-	-	3.4	-
Past due 31-90 days	0.8	(0.5)	-	-	0.1	-
More than 90 days	4.8	(4.5)	-	-	0.3	-
	626.4	(5.0)	133.1	-	88.3	-

2013	Trade receivables		Amounts due from related parties		Other receivables	
	Gross	Impairment	Gross	Impairment	Gross	Impairment
	€m					
Not past due	77.8	-	54.2	-	44.4	-
Past due 0-30 days	5.9	-	-	-	-	-
Past due 31-90 days	0.4	-	-	-	-	-
More than 90 days	-	-	46.7	-	-	-
	84.1	-	100.9	-	44.4	-

The accounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers and external credit checks where appropriate for new customers (see Note 22.c). At 31 December 2013 and 2014 there were no significant trade, related party or other receivable balances not past due that were subsequently impaired.

15. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for impairment:

	Total
	€m
Balance at 1 January 2013	-
Impairment loss released	-
Allowance made in the period	-
Balance at 31 December 2013	-
Impairment loss released	-
Allowance made in the period	5.0
Balance at 31 December 2014	5.0

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

There were no allowances made against amounts due from other receivables during the years ended 31 December 2014 and 2013.

There were no allowances made against amounts due from related partied during the years ended 31 December 2014 and 2013.

16. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see Note 22.

	2014	2013
	€m	
Non-current liabilities		
Securitisation facilities	273.3	63.6
Bond indenture	45.9	42.3
First lien term loan B	1,035.2	-
Second lien PIK toggle loan	200.0	-
Finance lease liability	7.8	-
	1,562.2	105.9
Current liabilities		
Securitisation facilities	31.8	-
Bond indenture	2.1	1.8
Other loans	25.6	-
Finance lease liability	0.2	-
	59.7	1.8

16. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Gross debt and issue costs

	2014		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Securitisation facilities	305.4	(0.3)	305.1
Bond indenture	51.2	(3.2)	48.0
First lien term loan B	1,069.6	(34.4)	1,035.2
Second lien PIK toggle loan	200.0	-	200.0
Other loans	25.6	-	25.6
Finance lease liability	8.0	-	8.0
	1,659.8	(37.9)	1,621.9

	2013		
	Gross loans and borrowings	Issue costs	Net loans and borrowings
		€m	
Securitisation facilities	64.4	(0.8)	63.6
Bond indenture	47.1	(3.0)	44.1
	111.5	(3.8)	107.7

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity
Securitisation facilities	USD/Euro	1.5%-2.25%	2018-2019
Bond indenture	USD	Libor + 4%	2031
First lien term loan B	USD/Euro	EURIBOR/ USD LIBOR + 550 bps	2019
Second lien PIK toggle loan	Euro	9.5%	2020

Receivables Securitisation Facilities

The Group has three receivables securitisation facilities (which are secured on certain trade receivables of the Group). The Styrolution securitisation facility is a €500.0 million facility which matures in March 2019. The total amount outstanding at 31 December 2014 was €251.0 million. The INEOS ABS securitisation facility is a $50.0 million facility which matures in August 2019. The total amount outstanding at 31 December 2014 was €22.3 million (2013: €24.6 million). The INEOS Styrenics securitisation facility is a €60.0 million facility which matured in June 2015. The total amount outstanding at 31 December 2014 was €31.8 million (2013: €39.0 million). In June 2015 this facility was reduced to €50.0 million and extended to June 2018.

Bond Indenture

INEOS Bio US LLC, an 80% owned subsidiary has outstanding borrowings of €48.0 million (2013: €44.1 million) under a bond indenture, of which €2.1 million (2013: €1.8 million), is due within one year. The bonds are guaranteed by the US Department of Agriculture. The bonds bear interest at LIBOR plus 4.0% per annum and mature in 2031. The bond is stated net of debt issue costs of €3.2 million (2013: €3.0 million). These costs are allocated to the income statement over the term of the bond.

16. INTEREST-BEARING LOANS AND BORROWINGS (continued)

Senior Secured Term Loan

The Group has borrowings under a first lien term loan B of approximately €1.05 billion with institutional investors. The borrowings consist of Euro and US Dollar tranches of €525.0 million and $662.5 million, respectively, each with a maturity of five years and variable interest at EURIBOR/LIBOR with a floor of 1.0 percent + 550 basis points. Styrolution Group GmbH and Styrolution US Holding LLC are the borrowers and the loans are secured by first liens over the assets of Styrolution Group GmbH and with subsidiaries.

PIK Toggle Loan

The Group has a second lien PIK toggle loan from INEOS Holdings Limited, a related party, to Styrolution Holding GmbH of €200 million with a fixed interest rate of 9.5 percent when paid in cash (or, in case the Total Net Debt Leverage of Styrolution Holding GmbH exceeds 3.25 * LTM EBITDA, 10.25 percent when accumulated or paid-in-kind).

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2014		
	Minimum lease payments	Interest	Principal
		€m	
Less than one year	0.5	(0.3)	0.2
Between one and five years	1.4	(1.3)	0.1
More than five years	12.2	(4.5)	7.7
	14.1	(6.1)	8.0

17. TRADE AND OTHER PAYABLES

	2014	2013
	€m	
Current		
Trade payables	487.4	58.5
Trade payables due to related parties	241.0	185.7
Other payables	232.0	21.8
Accruals and deferred income	214.6	40.8
	1,175.0	306.8
Non-current		
Trade payables due to related parties	194.7	67.9
Other payables	16.9	20.7
Accruals and deferred income	55.6	54.6
	267.2	143.2

18. EMPLOYEE BENEFITS

Pension plans

The Group operates a number of pension and post-retirement medical plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and those that are funded are done so by payments to separately administered funds or insurance companies. The principal funded plans are in Canada, the United States and Germany.

The Group also operates a number of unfunded defined benefit pension schemes in Thailand and Germany and unfunded post-retirement medical plans in Canada and the United States.

	Country	Valuation date
All plans	Belgium	31 December 2014
All plans	Canada*	31 December 2014
All plans	France	31 December 2014
All plans	Germany**	31 December 2014
All plans	The Netherlands	31 December 2014
All plans	Korea	31 December 2014
All plans	Mexico	31 December 2014
All plans	Switzerland	31 December 2014
All plans	Thailand	31 December 2014
All plans	United States	01 January 2014

*Except for Retirement Plan for Salaried Employees in Canada which was based on a roll forward from a full valuation as at 1 January 2014.
**Except for Germany (2085) plans which were based on a roll forward from a full valuation as at 31 December 2013.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in Europe, North America and the Rest of the World.

The European pension arrangements are a mix of final salary, career average, unit benefit and cash balance plans in nature, and the majority are closed to new entrants. The majority of the plans are funded via insurance policies and there are also a number of unfunded German plans with associated provisions held on the Group's balance sheet.

The North American pension arrangements consist of three funded plans in the United States, (all of which are closed to future accrual) and two funded plans in Canada (one of which is closed to new entrants and the other to future accrual). All pension plans, except one, are final salary defined benefit in nature, and the plans' liabilities are valued regularly in line with statutory funding requirements. Across all five plans, between 80% and 90% of the plans' assets are invested in bond instruments, to closely match the profile of each plans' liabilities. There are also three unfunded post-retirement medical plans in the US and one in Canada.

The Rest of the World pension arrangements are comprised of the Group's pension plans in South Korea, Mexico and Thailand.

18. EMPLOYEE BENEFITS (continued)

Pension plan assumptions

The principal actuarial assumptions (expressed as weighted averages or ranges) at the year-end were as follows:

	European		North America		Rest of the world	
	2014	2013	2014	2013	2014	2013
Major assumptions:						
Rate of general increase in salaries............................	2.76%	2.50%-3.00%	3.30%	3.50%	5.05%	3.50%
Rate of increase to pensions in payments.........................	0.00%-1.75%	0.00%-2.00%	0.50%	0.00%	0.00%	0.00%
Discount rate for scheme liabiltiies.............................	2.21%	2.25%-3.75%	3.75%	4.50%	4.06%	4.50%
Inflation..............................	1.77%	1.50%-2.00%	2.15%	2.50%	3.34%	2.50%

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	European		North America		Rest of the world	
	2014	2013	2014	2013	2014	2013
Longevity at age 65 for current pensioners..............	19.2-23.0	18.7-25.0	20.5-22.7	19.6-21.3	15.8-18.9	-

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2014		
	European	North America	Rest of the world
		%	
Discount rate: 1.0% decrease...	24.89	15.37	8.22
Rate of inflation: 0.5% increase	9.56	2.03	0.83
1 year increase in longevity for a member aged 65.................	2.21	1.84	0.19

The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption

18. EMPLOYEE BENEFITS (continued)

Post-retirement health care plans

The Group also operates a number of post-retirement healthcare plans in the United States, which provide employees with other post-employment benefits in respect of health care. The plans are unfunded and the liability in respect of these benefits is included in provisions. The liability is assessed by qualified independent actuaries under the projected unit method, assuming the following rates:

	2014	2013
	%	
Liability discount rate	3.75	4.50
Long-term medical trend rate	4.88	5.00

History of plans

The history of the plans for the current and prior years is as follows:

Consolidated balance sheet

	2014	2013
	€m	
Present value of the defined benefit obligation in respect of pension plans	231.3	60.7
Present value of obligations in respect of post-retirement health care plan	22.9	7.8
Fair value of plan assets	(149.9)	(17.3)
Deficit	104.3	51.2

The Group's net liability in respect of defined benefit obligations is as follows:

	2014	2013
	€m	
Obligations in respect of pension plans:		
European	145.8	44.5
North America	77.3	16.2
Rest of world	8.2	-
Total obligations in respect of pension plans	231.3	60.7
Obligations in respect of post-retirement health care plans	22.9	7.8
Recognised liability for defined benefit obligations	254.2	68.5

The Group expects to contribute approximately €4.7 million to its funded defined benefit plans in the next financial year. This excludes direct company benefit payments and payments in relation to unfunded defined benefit plan schemes.

18. EMPLOYEE BENEFITS (continued)

Consolidated income statement

	European	North America	Post-retirement health care plans	Total
		€m		
Year ended 31 December 2014				
Current service cost	2.3	0.1	0.2	2.6
Past service cost	0.2	-	-	0.2
Settlement gains	-	-	-	-
Cost of termination benefits	-	-	-	-
Interest cost on defined benefit obligation	1.7	0.9	0.4	3.0
Interest income on assets	(0.3)	(0.8)	-	(1.1)
Adjustments on interest cost	-	0.1	-	0.1
	3.9	0.3	0.6	4.8

	European	North America	Post-retirement health care plans	Total
		€m		
Year ended 31 December 2013				
Current service cost	1.8	0.1	0.4	2.3
Past service cost	5.6	-	(6.0)	(0.4)
Settlement gains	-	-	-	-
Cost of termination benefits	-	-	-	-
Interest cost on defined benefit obligation	1.2	0.6	0.6	2.4
Interest income on assets	(0.2)	(0.5)	-	(0.7)
	8.4	0.2	(5.0)	3.6

The expense is recognised in the following line items in the consolidated income statement:

	2014	2013
	€m	
Cost of sales, distribution and administrative expenses	2.8	1.9
Net finance cost	2.0	1.7
	4.8	3.6

Pension plans

	European	North America	Rest of the world	Total
		€m		
As at 31 December 2014				
Present value of funded obligations	105.1	77.3	7.2	189.6
Present value of unfunded obligations	40.7	-	1.0	41.7
	145.8	77.3	8.2	231.3
Fair value of plan assets	(64.6)	(79.3)	(6.0)	(149.9)
	81.2	(2.0)	2.2	81.4

18. EMPLOYEE BENEFITS (continued)

Pension plans (continued)

	European	North America	Rest of the world	Total
		€m		
As at 31 December 2013				
Present value of funded obligations	9.6	16.2	-	25.8
Present value of unfunded obligations	34.9	-	-	34.9
	44.5	16.2	-	60.7
Fair value of plan assets	(4.8)	(12.5)	-	(17.3)
	39.7	3.7	-	43.4

Movements in present value of defined benefit obligation:

	European	North America	Rest of the world	Total
		€m		
At 1 January 2013	37.3	17.5	-	54.8
Current service cost	1.8	0.1	-	1.9
Past service cost	5.6	-	-	5.6
Interest cost on defined benefit obligation	1.2	0.6	-	1.8
Member contributions	0.3	-	-	0.3
Actuarial loss (gain) - experience	(1.7)	0.1	-	(1.6)
Actuarial loss (gain) – demographic assumptions	-	0.2	-	0.2
Actuarial loss (gain) – financial assumptions	(0.3)	(1.1)	-	(1.4)
Disbursements from plan assets	(0.1)	(1.3)	-	(1.4)
Disbursements paid directly by the employer	(0.5)	(0.2)	-	(0.7)
Disposals	(3.8)	-	-	(3.8)
Other	4.8	1.0	-	5.8
Exchange	(0.1)	(0.7)	-	(0.8)
At 31 December 2013	44.5	16.2	-	60.7
Current service cost	2.2	0.1	0.1	2.4
Past service cost	0.2	-	-	0.2
Interest cost on defined benefit obligation	1.7	0.9	-	2.6
Member contributions	0.3	-	-	0.3
Actuarial loss (gain) - experience	0.5	(0.1)	(0.1)	0.3
Actuarial loss (gain) – demographic assumptions	0.2	-	-	0.2
Actuarial loss (gain) – financial assumptions	17.3	2.4	-	19.7
Disbursements from plan assets	-	(0.9)	(0.1)	(1.0)
Disbursements paid directly by the employer	(1.3)	(0.2)	0.1	(1.4)
Acquisitions	80.6	53.8	7.9	142.3
Exchange	(0.4)	5.1	0.3	5.0
At 31 December 2014	145.8	77.3	8.2	231.3

18. EMPLOYEE BENEFITS (continued)

Movements in fair value of plan assets:

	European	North America	Rest of the world	Total
		€m		
At 1 January 2013	6.1	13.5	-	19.6
Interest income on plan assets	0.2	0.5	-	0.7
Return on plan assets greater /(less) than discount rate	(0.8)	(0.7)	-	(1.5)
Employer contributions	2.6	0.4	-	3.0
Member contributions	0.3	-	-	0.3
Disbursements	(0.6)	(1.5)	-	(2.1)
Disposals	(2.6)	-	-	(2.6)
Other	(0.3)	0.8	-	0.5
Exchange	(0.1)	(0.5)	-	(0.6)
At 31 December 2013	4.8	12.5	-	17.3
Interest income on plan assets	0.3	0.8	-	1.1
Return on plan assets greater /(less) than discount rate	2.1	1.9	0.1	4.1
Employer contributions	5.4	0.8	0.1	6.3
Member contributions	0.3	-	0.1	0.4
Disbursements	(1.2)	(1.1)	(0.2)	(2.5)
Acquisitions	53.0	59.7	5.9	118.6
Exchange	(0.1)	4.7	0.0	4.6
At 31 December 2014	64.6	79.3	6.0	149.9

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The fair value of the plan assets and the return on those assets were as follows:

	European	North America	Rest of the world	Total
		€m		
As at 31 December 2014				
Equities	22.2	9.3	0.6	32.1
Other	42.3	70.1	5.4	117.8
Total plan assets	64.5	79.4	6.0	149.9

	European	North America	Rest of the world	Total
		€m		
As at 31 December 2013				
Cash and cash equivalents	-	0.1	-	0.1
Equities	1.4	2.4	-	3.8
Bonds:				
– Corporate bonds	-	0.4	-	0.4
– Govenement bonds	3.2	0.3	-	3.5
– Other bonds	-	9.3	-	9.3
Other	0.2	-	-	0.2
Total plan assets	4.8	12.5	-	17.3

18. EMPLOYEE BENEFITS (continued)

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

Post-retirement health care plans

Reconciliation of present value of scheme liabilities:

	2014	2013
	€m	
At 1 January	7.8	14.7
Current service cost	0.2	0.4
Interest cost on defined benefit obligation	0.4	0.6
Actuarial loss - experience	-	0.1
Actuarial loss – demographic assumptions	0.1	0.3
Actuarial gain – financial assumptions	0.9	(1.6)
Disbursements directly paid by the employer	(0.3)	(0.3)
Past service cost	-	(6.0)
Acquisition	12.0	-
Exchange adjustments	1.8	(0.4)
At 31 December	22.9	7.8

The post-retirement healthcare plans do not hold any assets.

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2014
	%
Discount rate: 1.0% decrease	12.35%
Rate of inflation: 0.5% increase	0.00%
1 year increase in longevity for a member currently aged 65	1.92%

19. PROVISIONS

	Retire-ment	Severance and re-structuring costs	Other	Total
		€m		
At 1 January 2013	-	-	3.4	3.4
Reclassifications	-	8.1	-	8.1
Provision made during the period	-	10.0	8.7	18.7
Exchange adjustments	-	-	(0.1)	(0.1)
At 31 December 2013	-	18.1	12.0	30.1
Reclassifications	(4.5)	(4.3)	(6.0)	(14.8)
Amounts arising from acquisitions	-	38.0	79.1	117.1
Provision made during the period	5.4	(11.1)	10.1	4.4
Provisions reversed during the period	-	(2.9)	(5.8)	(8.7)
Exchange adjustments	0.2	1.0	1.0	2.2
At 31 December 2014	1.1	38.8	90.4	130.3
Non-current	-	2.9	5.8	8.7
Current	-	15.2	6.2	21.4
At 31 December 2013	-	18.1	12.0	30.1
Non-current	1.1	16.1	57.4	74.6
Current	-	22.7	33.0	55.7
At 31 December 2014	1.1	38.8	90.4	130.3

Severance and restructuring

The Group has provided €35.9 million (2013: €18.1 million) of severance and restructuring costs in relation to the closure of the Marl site in Germany. These costs include €11.0 million (2013: €18.1 million) for severance payments and €24.9 million (2013: €nil) restructuring provisions relating to the termination of a toll agreement after the closure of the site.

Other provisions

Included in other provision is €22.1 million (2013: €nil) related to two legal proceedings against the Group which originate from the termination of a partnership and alleged non-performance as a contractual partner for certain feedstock processing contracts. During 2015 an agreement has been reached and these disputes have been settled.

The Group has €16.2 million (2013: €nil) of other provisions relating to two onerous contracts for a styrene supply mainly in Asia. The provision has been estimated by management using expectations of future market conditions until the end of the contract. Also included within other provisions in 2013 was €2.4 million relating to an onerous contract acquired with the Styrenics business that expired in 2025; however this onerous contract has been settled during the year.

The Group has also provided €4.7 million (2013: €8.7 million) following the closure of the Marl site in Germany for costs associated with demolition, environmental and termination of contracts.

20. SHARE CAPITAL

	2014	2013
	€m	
Fully paid		
197,500 (2013: 197,500) ordinary shares of £0.00001 each	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

21. DIVIDENDS

The following dividends were recognised during the year:

	2014	2013
	€m	
Dividend paid	4.0	-

22. FINANCIAL INSTRUMENTS

22.a Fair values of financial instruments

Investments in debt and equity securities

The fair value of other investments shown as loans and receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Available for sale financial assets are accounted for at fair value based on the present value of future cash flows where such information is readily available based on the present value of future cash flows estimated from financial information made available during the year as a result of a recent transaction in the investment.

Trade and other receivables

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

22. FINANCIAL INSTRUMENTS (continued)

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. The fair value of finance leases is determined by reference to market rates for similar lease agreements. The fair value of the related party loans is the same as the carrying value. The fair value of Securitisation facilities is the same as the carrying value.

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
		€m		
Loans and receivables carried at amortised cost:				
Trade receivables	621.4	621.4	84.1	84.1
Amounts due from related parties	133.1	133.1	100.9	100.9
Other receivables	88.3	88.3	44.4	44.4
Loans and receivables	842.8	842.8	229.4	229.4
Cash and cash equivalents	404.1	404.1	48.7	48.7
Total financial assets	1,246.9	1,246.9	278.1	278.1
Financial liabilities carried at amortised cost:				
Trade payables	487.4	487.4	58.5	58.5
Other payables	248.9	248.9	42.5	42.5
Securitisation facilities	305.1	305.1	63.6	63.6
Bond indenture	48.0	48.0	44.1	44.1
Amount due to related parties	435.7	435.7	253.6	253.6
First lien term loan B	1,035.2	1,035.2	-	-
Finance lease liabilities	8.0	8.0	-	-
Second lien PIK toggle loan	200.0	200.0	-	-
Other loans	25.6	25.6	-	-
Total financial liabilities	2,793.9	2,793.9	462.3	462.3

22.b Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of discounts, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from receivables and loans relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of discounts, results from the translation of foreign currencies, interest expense and other financing related expenses.

22. FINANCIAL INSTRUMENTS (continued)

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IAS 39.

The following table shows the gross gains and losses during the period and on which financial instruments they arose:

	Loans and receivables	
	2014	2013
	€m	
Finance income	8.6	3.6
Foreign exchange gains	7.5	0.3
Net result	16.1	3.9
Carrying value at 31 December	842.8	229.4

	Liabilities measured at amortised cost	
	2014	2013
	€m	
Finance cost	(45.6)	(16.9)
Other finance cost	(1.3)	(0.4)
Foreign exchange losses	(24.3)	(2.6)
Net result	(71.2)	(19.9)
Carrying value at 31 December	2,793.9	462.3

22.c Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and deposits with financial institutions.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

22. FINANCIAL INSTRUMENTS (continued)

Investments, cash and cash equivalents

Surplus cash investments are only made with banks with which the Group has a relationship. Occasionally deposits are made with banking counterparties that provide financing arrangements, reducing the credit exposure of the Group.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets.

22.d Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders.

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial year/period.

22. FINANCIAL INSTRUMENTS (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to < 5 years	5 years and over
			€m			
Non derivative financial liabilities						
Trade payables	487.4	487.4	487.4	-	-	-
Other payables	248.9	248.9	232.0	16.9	-	-
First lien term loan B	1,035.2	1,414.6	91.4	80.4	1,242.8	-
Amount due to related parties	435.7	435.7	41.0	394.7	-	-
Securitisation facilities	305.1	305.1	31.8	-	273.3	-
Bond indenture	48.0	58.9	2.3	2.4	8.0	46.2
Finance lease liabilities	8.0	14.6	0.5	0.5	1.4	12.2
Second lien PIK toggle loan	200.0	314.1	17.1	19.0	57.0	221.0
Other loans	25.6	25.6	25.6	-	-	-
	2,793.9	3,304.9	929.1	513.9	1,582.5	279.4

	2013					
	Carrying amount	Contractual cash flows	1 year or less	1 to < 2 years	2 to < 5 years	5 years and over
			€m			
Non derivative financial liabilities						
Trade payables	58.5	58.5	58.5	-	-	-
Other payables	42.5	42.5	21.8	20.7	-	-
Amount due to related parties	253.6	253.6	185.7	67.9	-	-
Securitisation facilities	63.6	63.6	-	39.0	24.6	-
Bond indenture	44.1	53.8	1.9	2.0	6.7	43.2
	462.3	472.0	267.9	129.6	31.3	43.2

22. FINANCIAL INSTRUMENTS (continued)

22.f Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will adversely affect the value of the Group's assets, liabilities or expected future cash flows.

Market risk - Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Sterling.

Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

A substantial portion of the Group's revenue is generated in, or linked to, Sterling and the Euro. Product prices, certain feedstock costs and most other costs are denominated in US Dollar, Sterling and Euro. In the US petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in US Dollars.

The Group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item is considered to form part of a net investment in a foreign operation and changes in the fair value are recognised directly within equity.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future.

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The foreign currency exposure where the Group's financial assets/ (liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement/ other comprehensive income of the Group.

	2014	2013
	€m	
Euro	(66.1)	19.0
US dollars	(14.3)	3.9
Sterling	1.4	0.8
Other	(2.2)	0.5
	(81.2)	24.2

Sensitivity analysis

A 10% percent weakening of the following currencies at 31 December would have increased/ (decreased) equity and profit/(loss) by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

22. FINANCIAL INSTRUMENTS (continued)

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative period.

	Equity		Profit or loss	
	2014	2013	2014	2013
	€m		€m	
Euro	-	-	(6.6)	1.9
US dollars	-	-	(1.4)	0.4
Sterling	-	-	0.1	0.1
Other	-	-	(0.2)	0.1
	-	-	(8.1)	2.5

A 10% percent strengthening of the above currencies against the Euro at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2014	2013
	€m	
Carrying amount of liability		
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(586.7)	(107.7)
	(586.7)	(107.7)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(1,035.2)	-
	(1,035.2)	-

Sensitivity analysis

A change of 1 % in interest rates at the balance sheet date would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for comparative period.

22. FINANCIAL INSTRUMENTS (continued)

	2014	2013
	€'000	
Profit or loss		
Profit/(loss) on increase in interest rates by 1%	(15.4)	(1.1)
	(15.4)	(1.1)

Market risk – Commodity price risk

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of feedstocks and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. In 2014 there were no significant instruments entered by the Group to manage such risk.

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

22.g Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €2,182.2 million at 31 December 2014 as shareholders' funds of €964.4 million and net debt (net of debt issue costs) of €1,217.8 million.

The principal sources of debt available to the group at 31 December 2014 include loans from related parties are described in Note 16 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

23. OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases are payable as follows:

	2014	2013
	€m	
Less than one year	20.9	1.0
Between one and five years	51.4	2.2
More than five years	44.9	1.7
	117.2	4.9

The Group leases a number of warehouse factory facilities and rail.cars under operating leases. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments are increased every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in a local price index.

24. CAPITAL COMMITMENTS

Outstanding capital expenditure authorised by the Board and for which contracts had been placed as at 31 December 2014 by the Group amounted to approximately €64 million (2013: €1.7million).

25. RELATED PARTIES

Related party transactions

Related parties comprise:

- INEOS AG;
- Entities controlled by the shareholders of INEOS AG, the ultimate parent company of INEOS Industries Limited; and
- Joint ventures.

Mr J A Ratcliffe, Mr A C Currie and Mr J Reece are the shareholders of INEOS AG. The Group has a management services agreement with INEOS AG. INEOS AG owns a controlling interest in the share capital of INEOS Industries Limited. Management fees of €nil million (2013: €5.0 million) were charged in the year. During the year the Group was charged a deal fee of €10.0 million in relation to the acquisition of the Styrolution business. At 31 December 2014 amounts owed to INEOS AG were €27.8 million (2013: €12.5 million)..

There were a number of transactions with related parties, all of which arose in the normal course of business. The Group has made sales to related parties of €34.1 million (2013: €0.4 million), recovered costs of €10.3 million (2013: €nil) and made purchases of €4.6 million (2013: €nil). At 31 December 2014 €635.7 million (2013: €253.6 million) was owed to related parties and €133.1 million (2013: €100.9 million) was owed by related parties.

Compensation to key management personnel (including directors)

The Group defines key management as the directors of the Company. Details of Directors' remuneration are given in Note 6.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking at 31 December 2014 was INEOS AG, a company registered in Switzerland.

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in INEOS AG.

27. SUBSEQUENT EVENTS

On 11 October, 2015 the Group agreed to purchase UK North Sea natural gas assets from a UK subsidiary of DEA Deutsche Erdoel AG, which is part of the LetterOne Group.

28. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

The following areas are considered to involve a significant degree of judgement or estimation:

Fair value measurement on business combination

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets and liabilities acquired. The determination of the fair value of the acquired assets and liabilities is to a considerable extent based upon management's judgement, and estimates and assumptions made.

Allocation of the purchase price affects the results of the Group as intangible assets are amortised over their estimated useful lives, whereas goodwill, is not amortised. This could lead to differing amortisation charges based on the allocation to indefinite and finite lived intangible assets.

On acquisition of a business, the identifiable intangible assets may include customer contracts, customer relationships and preferential supply contracts. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. The use of different estimates and assumptions for the expectations of future cash flows and the discount rate would change the valuation of these intangible assets.

The carrying amount of intangibles is disclosed in Note 10.

28. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Taxation

Management is required to estimate the tax payable in each of the jurisdictions in which the Group operates. This involves estimating the actual current tax charge or credit together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which may be included on the consolidated balance sheet of the Group. Management have performed an assessment as to the extent to which future taxable profits will allow the deferred asset to be recovered. The calculation of the Group's total tax charge necessarily involves a significant degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process.

The Group has, from time to time, contingent tax liabilities arising from trading and corporate transactions in the countries in which it operates. After appropriate consideration, management makes provision for these liabilities based on the probable level of economic loss that may be incurred and which is reliably measurable.

The breadth of the Group's structure with operations in many geographic locations makes the use of estimates and assumptions more challenging. The resolution of issues is not always within the control of the Group and can be reliant upon the efficiency of the legal processes in the relevant jurisdictions in which the Group operates, and as a result, issues can, and often do take many years to resolve.

Details of amounts recognised with regard to taxation are disclosed in Notes 8 and 13.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections; and
- Discount rate for scheme liabilities.
- Expected rates of return on the scheme assets.

Details of post-retirement benefits are set out in Note 18.

Provisions

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related asset and depreciated over its estimated useful life.

Other provisions are recognised in the year when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change.

28. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Provisions (continued)

Estimates of the amounts of provisions recognised are based on current legal and constructive requirements, technology and price levels. Because actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

The nature and amount of provisions included within the financial statements are detailed in Note 19.

Impairment reviews

IFRSs require management to test for impairment of goodwill and other intangible assets with indefinite lives, on an annual basis, and of tangible and intangible assets with finite lives if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

An impairment test requires an assessment as to whether the carrying value of assets can be supported by its recoverable amount. Management calculates the recoverable amount based on the net present value of the future cash flows derived from the relevant assets, using cash flow projections which have been discounted at an appropriate discount rate.

In calculating the net present value of the future cash flows, certain assumptions and estimates are required to be made in respect of highly uncertain matters, including management's expectations of:

- Growth rates of various revenue streams;
- Long term growth rates;
- Future margins;
- The selection of an appropriately risk adjusted discount rate; and
- The determination of terminal values.

Changing the assumptions selected by management, in particular the discount rate used in the present value calculation, could significantly affect the Group's impairment evaluation and results.

For the purpose of impairment testing (when required), to assess whether any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal. Actual outcomes could vary significantly from such estimates of discounted future cash flows. Factors such as changes in the planned use of buildings, plant or equipment, or closure of facilities, the presence or absence of competition, lower than expected asset utilisation from events such as unplanned outages, strikes and hurricanes, technical obsolescence or lower than anticipated sales of products with capitalised intellectual property rights could result in shortened useful lives or impairment. Changes in the discount rates used could also lead to impairments.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 9 for the carrying amount of the property plant and equipment, and Note 1 for the useful economic lives for each class of assets.

28. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment of receivables

The Group makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the current credit rating of the debtor, the ageing profile of receivables and historical experience. See Note 15 for the net carrying amount of the debtors and associated impairment provision.

Investments

The Group has adopted IFRS 11. The adoption of this standard required the reclassification of investments previously classified as jointly controlled entities under IAS 31 - Interests in joint ventures, as either "joint operations" (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or "joint ventures" (if the Group has rights only to the net assets of an arrangement). The classification focuses on the rights and obligations of the arrangements, as well as their legal form. Under the new standard, joint ventures are accounted for under the equity method while joint operations are accounted for by recognizing the Group's share of assets, liabilities, revenues and expenses

The Group's interests in joint arrangements which were classified as jointly controlled entities under IAS 31 and have been reclassified as joint ventures under IFRS 11 and continue to be accounted for using the equity method. The reclassification of these interests has had no impact on these consolidated financial statements.

29. EXPLANATION OF TRANSITION TO ADOPTED IFRS

As stated in Note 1, these are the Group's first consolidated financial statements prepared in accordance with Adopted IFRSs.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 December 2014, the comparative information presented in these financial statements for 2013 and in the preparation of an opening IFRS balance sheet at 1 January 2013 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to Adopted IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

29. EXPLANATION OF TRANSITION TO ADOPTED IFRS (continued)

Reconciliation of equity

	Note	1 January 2013 UK GAAP	Effect of transition to Adopted IFRSs	Adopted IFRSs
			€m	
Non-current assets				
Property, plant and equipment		151.9	-	151.9
Intangible assets	a	(19.6)	20.8	1.2
Investments in equity-accounted investees	b	592.8	2.1	594.9
Other investments	c	4.0	(4.0)	-
Other financial assets	c	-	4.0	4.0
Deferred tax assets	d	0.3	11.7	12.0
Total non-current assets		729.4	34.6	764.0
Current assets				
Inventories		73.6	-	73.6
Trade and other receivables		201.9	-	201.9
Cash and cash equivalents		47.9	-	47.9
Total current assets		323.4	-	323.4
Total assets		1,052.8	34.6	1,087.4
Equity attributable to owners of the parent				
Share capital		-	-	-
Retained earnings	a,b,e	517.8	17.0	534.8
Total shareholders' funds		517.8	17.0	534.8
Non-controlling interest		(3.1)	-	(3.1)
Total equity		514.7	17.0	531.7
Non-current liabilities				
Interest-bearing loans and borrowings		67.2	-	67.2
Trade and other payables		226.6	-	226.6
Employee benefits	d,e	34.0	15.8	49.8
Provisions		3.4	-	3.4
Total non-current liabilities		331.2	15.8	347.0
Current liabilities				
Interest-bearing loans and borrowings		39.4	-	39.4
Trade and other payables	b	163.2	1.8	165.0
Tax payables		4.3	-	4.3
Total current liabilities		206.9	1.8	208.7
Total liabilities		538.1	17.6	555.7
Total equity and liabilities		1,052.8	34.6	1,087.4

29. EXPLANATION OF TRANSITION TO ADOPTED IFRS (continued)

		31 December 2013		
	Note	UK GAAP	Effect of transition to Adopted IFRSs	Adopted IFRSs
Non-current assets				
Property, plant and equipment		152.2	-	152.2
Intangible assets	a,f	(23.9)	25.8	1.9
Investments in equity-accounted investees	b	630.5	0.1	630.6
Other investments	c	4.0	(4.0)	-
Other financial assets	c	-	4.0	4.0
Trade and other receivables		44.3	-	44.3
Deferred tax assets	d	0.1	12.4	12.5
Total non-current assets		807.2	38.3	845.5
Current assets				
Inventories		76.1	-	76.1
Trade and other receivables		185.4	-	185.4
Cash and cash equivalents		48.7	-	48.7
Total current assets		310.2	-	310.2
Total assets		1,117.4	38.3	1,155.7
Equity attributable to owners of the parent				
Share capital		-	-	-
Other reserves	a	(22.7)	(0.2)	(22.9)
Retained earnings	a,b,e,f	523.1	23.3	546.4
Total shareholders' funds		500.4	23.1	523.5
Non-controlling interest		(7.8)	-	(7.8)
Total equity		492.6	23.1	515.7
Non-current liabilities				
Interest-bearing loans and borrowings		105.9	-	105.9
Trade and other payables		143.2	-	143.2
Employee benefits	d,e	36.0	15.2	51.2
Provisions		8.7	-	8.7
Total non-current liabilities		293.8	15.2	309.0
Current liabilities				
Interest-bearing loans and borrowings		1.8	-	1.8
Trade and other payables		306.8	-	306.8
Tax payables		1.0	-	1.0
Provisions		21.4	-	21.4
Total current liabilities		331.0	-	331.0
Total liabilities		624.8	15.2	640.0
Total equity and liabilities		1,117.4	38.3	1,155.7

29. EXPLANATION OF TRANSITION TO ADOPTED IFRS (continued)

Notes to the reconciliation of equity

a) Upon transition to Adopted IFRSs the Group's negative goodwill, previously recognised under UK GAAP, was eliminated in the opening Statement of Financial Position. The subsequent amortisation in 2013 was also reversed. The impact of the adjustment was an increase in equity of €20.8 million as at the transition date.

b) Upon transition to Adopted IFRSs, INEOS Industries Limited's investment in Fluxel S.A.S was classified as an associate and equity accounted for from the date of initial investment. The impact of the adjustment was an increase in equity of €2.1 million as at the transition date.

c) Upon transition to Adopted IFRSs, INEOS Industries Limited's investment in Accsys Technologies plc was reclassified as another financial asset. The reclassification has no impact on equity.

d) Upon transition to Adopted IFRSs, the deferred tax asset related to the pension scheme liability was recognised as a separate asset in the Statement of Financial Position. The reclassification has no impact on equity. The amount also includes the tax effect of the reversal of the amortisation of the negative goodwill.

e) Upon transition to Adopted IFRSs, the defined benefit obligation for post-retirement employee benefits was adjusted relating to the treatment of past service costs. The impact of the adjustment was an increase in equity of €0.1 million as at the transition date.

f) The group has acquired the ChloroToulenes business from Kerling plc in 2013. Upon transition to Adopted IFRSs, book value accounting was applied for the common control transaction. The negative goodwill related with transaction was eliminated.

29. EXPLANATION OF TRANSITION TO ADOPTED IFRS (continued)

Reconciliation of loss

	Note	2013 UK GAAP	2013 Effect of transition to Adopted IFRSs	2013 Adopted IFRSs
			€m	
Revenue		1,007.1	-	1,007.1
Cost of sales	g	(925.5)	1.3	(924.2)
Gross profit		81.6	1.3	82.9
Distribution costs		(36.8)	-	(36.8)
Administrative expenses before exceptional items	h	(53.4)	(2.8)	(56.2)
Exceptional administrative expenses		(26.6)	-	(26.6)
Total administrative expenses		(80.0)	(2.8)	(82.8)
Total expenses		(116.8)	(2.8)	(119.6)
Operating loss		(35.2)	(1.5)	(36.7)
Share of profit of associates and joint ventures using the equity accounting method	i	58.8	0.1	58.9
Profit on disposal of businesses		0.7	-	0.7
Profit before net finance costs		24.3	(1.4)	22.9
Finance income	i	3.2	(0.3)	2.9
Finance costs		(21.9)	-	(21.9)
Net finance costs		(18.7)	(0.3)	(19.0)
Loss before tax from continuing operations		5.6	(1.7)	3.9
Tax charge	j	(5.3)	0.1	(5.2)
Profit/(loss) for the year		0.3	(1.6)	(1.3)
Attributable to:				
Owners of parent		5.2	(1.6)	3.6
Non-controlling interest		(4.9)	-	(4.9)
Loss for the year		0.3	(1.6)	(1.3)

Notes to the reconciliation of loss

g) Part of the past service cost of employee benefits relating to the Group's post-retirement health care plan are unrecognised in Retained Earnings at the end of 2012 and are being deferred over the vesting period under UK GAAP. Under IFRS these past service costs should be recognised when the plan amendment is made. The impact of the adjustment is an increase in profit of €1.3 million.

h) Upon transition to Adopted IFRSs, the Group's negative goodwill amortisation charge in 2013 was reversed. The impact of the adjustment is a decrease in profit of €2.8 million.

i) Upon transition to Adopted IFRSs, INEOS Industries Limited's investment in Fluxel S.A.S was reclassified as an associate and equity account for it from the date the initial investment was made.

j) Adjustment (g) had a deferred tax impact of €0.5 million and adjustment (h) had a deferred tax impact of €(0.6) million.

29. EXPLANATION OF TRANSITION TO ADOPTED IFRS (continued)

Explanation of material adjustments to the Cash Flow Statement

There are no material differences between the cash flow statement presented under Adopted IFRSs and the cash flow statement presented under UK GAAP.

Section 3 - Company Financial Statements

Report on the company financial statements

Our opinion

In our opinion, INEOS Industries Limited's company financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014;
- 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 Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the company balance sheet as at 31 December 2014;
- the company 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 by the company, 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.

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 7, 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) ("ISAs (UK & 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.

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 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.

Other matter

We have reported separately on the group financial statements of INEOS Industries Limited for the year ended 31 December 2014.

Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 November 2015

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014	2013
		€m	
Fixed assets			
Investments	4	9.4	9.4
Total fixed assets		9.4	9.4
Current assets			
Debtors		-	-
Creditors: amounts falling due within one year	5	(8.3)	(1.0)
Net current liabilities		(8.3)	(1.0)
Total assets less current liabilities		1.1	8.4
Creditors: amounts falling due after more than one year	6	(1.0)	(8.6)
Net assets/ liabilities		0.1	(0.2)
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	0.1	(0.2)
Total shareholders' funds/ (deficit)		0.1	(0.2)

The notes on pages 80 to 84 are an integral part of these Company financial statements.

The financial statements on pages 78 to 84 were approved by the Board of Directors on 20 November 2015 and signed on its behalf by:

G Leask
Director

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Called up Share Capital	Profit and loss account	Total shareholders' (deficit)/ funds
			€m	
Balance at 1 January 2013		-	-	-
Loss for the year	8	-	(0.2)	(0.2)
Balance at 31 December 2013		-	**(0.2)**	**(0.2)**
Profit for the year	8	-	4.3	4.3
Transactions with owners, recorded directly in equity:				
Dividend	8	-	(4.0)	(4.0)
Balance at 31 December 2014		-	**0.1**	**0.1**

The notes on pages 80 to 84 are an integral part of these Company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Overview

INEOS Industries Limited (the "Company") is a private company limited by shares incorporated and domiciled in the UK. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards, on a going concern basis and under the historical cost accounting rules.

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 12.

In these financial statements, the Company has early adopted FRS 101.

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 year reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- financial instrument disclosures as required by IFRS 7.
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently in these Company financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Functional and presentation currency

These Group financial statements are presented in Euro, which is the functional currency of the majority of operations. The Group primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in Euros. The exchange rate as at 31 December 2014 was €1:$0.8220 and €1:£1.2791. All amounts in the financial statements have been rounded to the nearest €1,000,000.

1. ACCOUNTING POLICIES (continued)

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other debtors

Trade and other debtors are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue.. 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 less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash at bank and in hand

Cash at bank and in hand comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

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.

2. STAFF NUMBERS AND COSTS

There were no employees with contracts of employment in the name of the Company.

3. DIRECTORS' RENUMERATION

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

4. INVESTMENTS

The subsidiary and undertakings of the Company at 31 December and the percentage of equity share capital held are set out below.

	Country of incorporation	Class of shares held	Ownership 2014	Ownership 2013
INEOS Industries Holdings Limited	UK	Ordinary	100%	100%

	Subsidiaries	Joint ventures	Associated under-takings	Total
			€m	
At 1 January 2013	9.4	-	-	9.4
Share of profits retained	-	-	-	-
At 31 December 2013	**9.4**	-	-	**9.4**
Share of profits retained	-	-	-	-
Share of other comprehensive income	-	-	-	-
Additions	-	-	-	-
At 31 December 2014	**9.4**	-	-	**9.4**

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	€m	
Amounts owed to related parties	8.3	-
Accruals and deferred income	-	1.0
	8.3	1.0

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	€m	
Amounts owed to related parties	1.0	-
Accruals and deferred income	-	8.6
	1.0	8.6

7. CAPITAL AND RESERVES

	2014	2013
	€m	
Fully paid		
197,500 (2013: 197,500) ordinary shares of £0.00001 each	-	-

8. PROFIT AND LOSS ACCOUNT

	2014	2013
	€m	
At 1 January	(0.2)	-
Profit/ (loss) for the year	4.3	(0.2)
Dividend paid	(4.0)	-
At 31 December	0.1	(0.2)

The directors of the Company have proposed and paid a dividend of €4 million (20.19 per share) during the year (2013: €nil).

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking at 31 December 2014 was INEOS AG, a company registered in Switzerland.

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in INEOS AG.

The only group in which the results of the Company are consolidated is that headed by INEOS Industries Limited.

10. SUBSEQUENT EVENTS

No significant subsequent events have occurred after the balance sheet date.

11. ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

12. EXPLANATION OF TRANSITION TO FRS 101

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 2014, the comparative information presented in these financial statements for the year ended 2013 and in the preparation of an opening FRS 101 balance sheet at 1 January 2013 (the Company's date of transition).

In preparing its FRS 101 balance sheet and statement of changes in equity, the Company made no adjustments to amounts reported previously. Hence no reconciliation as required by IFRS 1 have been disclosed.