

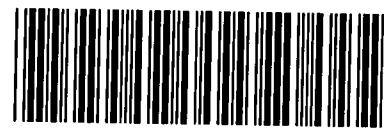
INEOS Industries Property Limited

Annual report and financial statements

Registered number 09395791

31 December 2018

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Strategic report

The directors present their strategic report on the Company for the year ended 31 December 2018.

Review of business and future developments

The principal activity of the company is the provision of property services to the INEOS Limited group. The directors do not expect any change in the company's activities during the next financial year.

Results and dividends

The company's loss for the financial year was £3,367,000 (2017: loss of £4,796,000). The directors do not recommend payment of a dividend (2017: £nil).

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the INEOS Limited group and are not managed separately.

Approved and signed by order of the board



Y S Ali
Company Secretary
5 September 2019

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2018.

Principal activities and business review

The principal activity of the company is the provision of property services to the INEOS Limited group.

Going concern

As at 31 December 2018 the Company has net liabilities of £12.3 million (2017: £8.9 million); however the directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of INEOS Industries Limited. The directors have received confirmation that INEOS Industries Limited intend to support the company for at least one year after these financial statements are signed.

Directors

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

B Foster
G Leask
J Ginns
D Smeeton

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company where appropriate. The company is funded internally by the INEOS group and therefore has no direct exposure to liquidity or debt market risk.

Results and dividends

Results and dividends are discussed in the strategic report.

Future developments

Future developments are discussed in the strategic report.

Health & safety

The Company has complied with all HSSE laws, regulations and permits. This entity is not actively involved in operational activities.

Charitable contributions

During the year the Company contributed £nil for charitable contributions (2017: £nil).

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved and signed by order of the Board



Y S Ali
Company Secretary
INEOS Industries Property Limited
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG
5 September 2019

Independent auditors' report to the members of INEOS Industries Property Limited

Report on the audit of the financial statements

Opinion

In our opinion, INEOS Industries Property Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of INEOS Industries Property Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Independent auditors' report to the members of INEOS Industries Property Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
5 September 2019

Profit and Loss Account
for the year ended 31 December 2018

	<i>Note</i>	2018 £000	2017 £000
Turnover	2	6,881	3,230
Administrative expenses		(10,038)	(7,550)
Operating loss		(3,157)	(4,320)
Interest payable and similar expenses	7	(915)	(566)
Loss before taxation	3	(4,072)	(4,886)
Tax on loss	8	705	90
Loss for the financial year		(3,367)	(4,796)

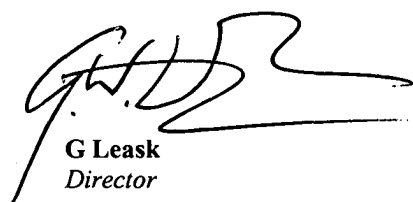
All activities of the company derive from continuing operations.

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

Balance Sheet
at 31 December 2018

	<i>Note</i>	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Property, plant and equipment	9	8,166		7,582	
		<hr/>	8,166	<hr/>	7,582
Current assets					
Debtors	10	1,976		1,478	
Cash at bank and in hand		783		26	
		<hr/>		<hr/>	
		2,759		1,504	
Creditors: amounts falling due within one year	11	(23,046)		(17,954)	
		<hr/>		<hr/>	
Net current liabilities			(20,287)		(16,450)
			<hr/>		<hr/>
Total assets less current liabilities			(12,121)		(8,868)
			<hr/>		<hr/>
Provisions for liabilities					
Deferred tax	12		(143)		(29)
			<hr/>		<hr/>
Net liabilities			(12,264)		(8,897)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	14		-		-
Profit and loss account			(12,264)		(8,897)
			<hr/>		<hr/>
Total equity			(12,264)		(8,897)
			<hr/>		<hr/>

These financial statements on pages 9 to 19 were approved by the board of directors on 5 September 2019 and were signed on its behalf by:


G Leask
Director

Company registered number: 09395791

**Statement of Changes in Equity
for the year ended 31 December 2018**

	Called up share capital £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 January 2017	-	(4,101)	(4,101)
Loss for the financial year	-	(4,796)	(4,796)
Balance at 31 December 2017	-	(8,897)	(8,897)

	Called up share capital £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 January 2018	-	(8,897)	(8,897)
Loss for the financial year	-	(3,367)	(3,367)
Balance at 31 December 2018	-	(12,264)	(12,264)

Statement of Cash Flows
for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Loss before taxation		(4,072)	(4,886)
Adjustments for:			
Depreciation	9	1,142	873
Net finance costs	7	915	566
Decrease / (Increase) in trade and other receivables		320	(406)
(Decrease) / Increase in trade and other payables		(208)	570
Net cash used in operating activities		<u>(1,903)</u>	<u>(3,283)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	<u>(1,726)</u>	<u>(3,523)</u>
Net cash used in investing activities		<u>(1,726)</u>	<u>(3,523)</u>
Cash flows from financing activities			
Interest paid	7	(915)	(566)
Loans from group companies		<u>5,301</u>	<u>7,305</u>
Net cash generated from financing activities		<u>4,386</u>	<u>6,739</u>
Net increase / (decrease) in cash and cash equivalents		757	(67)
Cash and cash equivalents at 1 January		<u>26</u>	<u>93</u>
Cash and cash equivalents at 31 December		<u><u>783</u></u>	<u><u>26</u></u>

Notes (forming part of the financial statements)

1 Accounting policies

INEOS Industries Property Limited is a private company, limited by shares, incorporated, registered and domiciled in England, UK.

These financial statements were prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently on the going concern basis, to all periods presented in these financial statements and in accordance with the Companies Act 2006 as applicable to companies using FRS 102.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of INEOS Limited. The directors have received confirmation that INEOS Limited intends to support the company for at least one year after these financial statements are signed.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Non-derivative financial instruments

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

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.5 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

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

1 Accounting policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. Cost includes the original price and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of the assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience. The depreciation rates used are as follows:

Hans Crescent Fixtures and fittings	- 8.75 years
Hans Crescent IT Equipment	- 5 years
Hans Crescent Assets under construction	- Nil
Anchor House Fixtures and fittings	- 14.9 years
Anchor House IT Equipment	- 5 years
Anchor House Assets under construction	- Nil

1.7 Turnover

INEOS Industries Property Limited operates one class of business, that of property services, and in one geographical sector, the United Kingdom. Turnover represents property cost recoveries and is recognised on the accruals basis.

1.8 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

Turnover represents the recovery of costs from related party companies, for the use of office space in Hans Crescent and Anchor House, both in London.

3 Loss before taxation

Loss before taxation is stated after charging

	2018 £000	2017 £000
Depreciation	1,142	873

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

4 Auditors' remuneration

The audit fee for the company in the current year is £2,375 (2017: £2,317).

5 Directors' remuneration

None of the directors received any remuneration for their services provided during the year (2017: none).

6 Staff numbers and costs

The monthly average number of employees other than the directors of the company during the year was 1 (2017: 1).

The payroll costs in the company were as follows:

	2018 £000	2017 £000
Wages and salaries	31	26
Pension	2	1
Social security	3	2
	<u>36</u>	<u>29</u>

7 Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable and similar expenses	<u>915</u>	<u>566</u>

Interest payable and similar charges includes £915,000 (2017: £566,000) payable to group undertakings.

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

8 Tax on loss

	2018 £000	2017 £000
<i>UK corporation tax</i>		
Current tax income for the year	(753)	(852)
Adjustment in respect of prior periods	(66)	765
Deferred tax for the year	34	80
Adjustment in respect of prior periods	80	(83)
	<u>(705)</u>	<u>(90)</u>
Reconciliation of effective tax rate		
	2018 £000	2017 £000
Loss before taxation	(4,072)	(4,886)
Loss multiplied by the standard rate of tax in the UK of 19% (2017: 19.25%)	(774)	(941)
Adjustment in respect of prior periods	14	682
Non deductible expenses / tax exempt revenues	55	169
Total tax on loss	<u>(705)</u>	<u>(90)</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to 19% from 1 April 2018 and to 17% from 1 April 2020.

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

9 Property, plant and equipment

	Assets under construction £000	Fixtures and fittings £000	IT Equipment £000	Total £000
Cost				
At 1 January 2018	124	7,617	1,255	8,996
Additions	-	1,464	262	1,726
Reclassification	(33)	33	-	-
At 31 December 2018	91	9,114	1,517	10,722
Accumulated depreciation				
At 1 January 2018	-	(1,086)	(328)	(1,414)
Depreciation charge for the year	-	(878)	(264)	(1,142)
At 31 December 2018	-	(1,964)	(592)	(2,556)
Net book value				
At 31 December 2018	91	7,150	925	8,166
At 31 December 2017	124	6,531	927	7,582

10 Debtors

	2018 £000	2017 £000
Amounts owed by related parties	1,875	1,101
Other receivables	101	377
	1,976	1,478

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

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

11 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade payables	144	189
Amounts owed to related parties	22,584	17,589
Other payables	318	176
	<u>23,046</u>	<u>17,954</u>

Amounts owed to related parties are unsecured, attract interest at market rates, have no fixed date of repayment and are repayable on demand.

12 Deferred tax

The amounts provided for deferred tax are set out below. The potential liability has been fully provided.

	2018 £000	2017 £000
Deferred tax liability on accelerated capital allowances	143	29

Analysis of movement in the year

	£'000
At 1 January 2018	29
Charged to the profit and loss account	114
At 31 December 2018	<u>143</u>

13 Post-employment benefits

INEOS operates a number of defined contribution pension plans, the company contributes to one. The total expense relating to this plan in the current year was £1,500 (2017 £1,228).

14 Called up share capital

	2018 £000	2017 £000
<i>Allotted and called up</i>		
100 ordinary shares of £1 each (2017: 100 Ordinary shares of £1 each)	-	-

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

15 Capital and contractual commitments

The company is committed to the rental of the property at 38 Hans Crescent, London until September 2019, an option to renew until October 2028, has been agreed in 2019. The property at Anchor House, London until June 2032.

This total commitment at year end represented a liability of £25,633,000 (2017: £33,085,000).

16 Related parties

During the year the Company made sales to related parties of £6,881,000 (2017: £3,213,000). At 31 December 2018 the Company had a trade receivable due of £13,000 (2017: £58,000) and had a trade payable of £17,000 (2017: £323,000).

Sales to related parties	2018 £000	2017 £000
INEOS Group Holdings SA	1,600	1,093
INEOS Enterprises Limited	385	377
INEOS Industries Limited	4,380	1,274
INOVYN Limited	516	469
	<u>6,881</u>	<u>3,213</u>

Trade receivables	2018 £000	2017 £000
INEOS Group Holdings SA	13	58
INEOS Industries Limited	1,862	1,043
	<u>1,875</u>	<u>1,101</u>

Trade payables	2018 £000	2017 £000
INEOS Group Holdings SA	14	279
INOVYN Limited	3	3
INEOS Property Limited	-	39
INEOS Capital Limited	-	2
INEOS Industries Holdings Limited	22,567	17,266
	<u>22,584</u>	<u>17,589</u>

17 Parent undertaking and controlling party

The immediate and ultimate parent company at 31 December 2018 was INEOS Limited, a company incorporated in the Isle of Man.

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