

INEOS Styrolution Financing Limited

Annual report and financial statements

Registered number 9922303

31 December 2016

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Contents

Strategic report	2
Directors' report	3
Independent auditors' report to the members of INEOS Styrolution Financing Limited	5
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

Strategic report

The directors present their strategic report for the 54 week period ended 31 December 2016.

Business overview

The principal activity of the company is to act as a holding company.

Business review

The results of the Company are set out in the profit and loss account on page 7 which shows a profit from continuing operations before taxation for the period of €174.1 million.

Objectives and strategy

The directors do not expect any change in the company's activities during the next financial year as the company will continue to act as a holding company.

Principal risks and uncertainties

The management of the business and execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition factors which would cause a decline in the market. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of parent company INEOS Styrolution Holding Limited, which does not form part of this report.

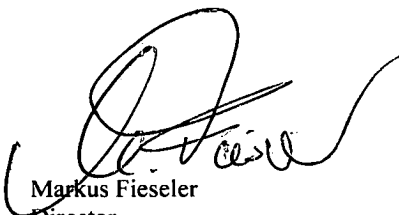
Financial key performance indicators

The directors of INEOS Styrolution Financing Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that the analysis using performance indicators of the company is not necessary or appropriate for an understanding of the development, performance, or position of the business of INEOS Styrolution Financing Limited. The development, performance and position of the group, including this company, are discussed in the group's annual report which does not form part of this report.

Approved and signed on behalf of the board



Graeme Wallace Leask
Director
12 July 2017



Markus Fieseler
Director
12 July 2017

Directors' report

The directors present their directors' report and financial statements for the 54 week period ended 31 December 2016. INEOS Styrolution Financing Limited was incorporated on 18 December 2015 and its immediate parent is INEOS Styrolution Holding Limited which was incorporated on the same day.

Directors

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

Mr K McQuade (appointed 24 May 2016)
Mr M Fieseler (appointed 30 September 2016)
Mr G Leask (appointed 18 December 2015)
Mr J Ginns (appointed 18 December 2015)
Mr A Currie (appointed 27 June 2016)
Mr R Buntinx (appointed 24 May 2016 and resigned 30 September 2016)
Mr A Glueck (appointed 24 May 2016 and resigned 27 June 2016)
Mr S Harrington (appointed 24 May 2016 and resigned 27 June 2016)
Mr P Minguet (appointed 24 May 2016 and resigned 27 June 2016)

Future Developments

The directors do not expect any change in the company's activities during the next financial year.

Dividends

The directors of the Company have proposed and paid a dividend of €175 million during the 54 week period ended 2016. The Company does not propose further dividend for 2016.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company where appropriate. The company is funded internally by the INEOS Styrolution group and therefore has no direct exposure to liquidity or debt market risk. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Styrolution Holding Limited.

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 54 week period. 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:

Directors' report (continued)

Statement of directors' responsibilities (continued)

- 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 who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved and signed by order of the Board



Graeme Wallace Leask
Director
Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom, SO43 7FG
12 July 2017



Markus Fieseler
Director
Hawkslease, Chapel Lane, Lyndhurst, Hampshire, United Kingdom, SO43 7FG
12 July 2017

Independent auditors' report to the members of INEOS Styrolution Financing Limited

Report on the financial statements

Our opinion

In our opinion, INEOS Styrolution Financing Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the 54 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account for the period then ended;
- the Statement of Changes in Equity for the period 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of INEOS Styrolution Financing Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on pages 4 and 5, 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

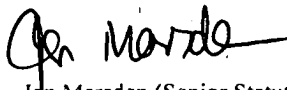
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
12 July 2017

Profit and Loss Account
for the period ended 31 December 2016

	Note	2016 €m
Other operating expenses	2	(0.7)
Operating loss		(0.7)
Income from shares in group undertakings		175.1
Profit on ordinary activities before taxation		174.4
Tax on profit on ordinary activities	6	-
Profit for the financial period		174.4

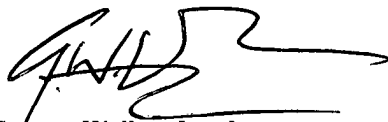
All activities of the company relate to continuing operations.


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

Balance Sheet
 As at 31 December 2016

	Note	2016 €m
Fixed assets		
Investments	7	1,080.8
Total fixed assets		<u>1,080.8</u>
Current assets		
Cash at bank and in hand		0.1
Creditors: amounts falling due within one year	8	(0.7)
Net current assets		<u>(0.6)</u>
Total assets less current liabilities		<u>1,080.2</u>
Net assets		<u>1,080.2</u>
Capital and reserves		
Called up share capital	9	0.3
Share premium account		1,080.5
Profit and loss account		(0.6)
Total shareholders' funds		<u>1,080.2</u>

These financial statements on pages 8 to 16 were approved by the board of directors on 12 July 2017 and were signed on its behalf by:


Graeme Wallace Leask
 Director


Markus Fieseler
 Director

Company registered number: 9922303

Statement of Changes in Equity
for the period ended 31 December 2016

	Called up Share capital	Share Premium account	Profit and loss account	Total Shareholders' funds
	€m	€m	€m	€m
Balance at Incorporation	-	-	-	-
Profit for the period	-	-	174.4	174.4
Transactions with owners, recorded directly in equity:				
Share issue	0.3	1,080.5	-	1,080.8
Dividends	-	-	(175.0)	(175.0)
Balance at 31 December 2016	0.3	1,080.5	(0.6)	1,080.2

The called up share capital account represents the face value of the ordinary shares issued.

The profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

Notes

(forming part of the financial statements)

1 Accounting policies

Overview

INEOS Styrolution Financing Limited (the “Company”) is a private company, limited by shares, incorporated and registered in England. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

INEOS Styrolution Financing Limited was incorporated on 18 December 2015 and its immediate parent is INEOS Styrolution Holding Limited which was incorporated on the same day. On 9 June 2016, INEOS Styrolution Financing Limited became parent of INEOS Styrolution Investment GmbH and INEOS Styrolution Switzerland SA. INEOS Styrolution Financing limited became an intermediary holding company with the newly formed consolidation group, INEOS Styrolution Holding Limited and all its subsidiaries.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentational currency of these financial statements is Euro

Basis of accounting

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102. Under section 400 of the Companies Act 2006 the Company is exempt from the requirement to prepare group financial statements. Therefore the financial statements present information about the company as an individual undertaking and not about its group.

The Company is a wholly owned subsidiary company of INEOS Styrolution Holding Limited and is included in the consolidated financial statements of INEOS Styrolution Holding Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102.

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Foreign currency

These Company financial statements are presented in Euros, which is the functional currency of the majority of operations.

1.3 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.

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

1 Accounting Policies (continued)

1.3 Non-derivative financial instruments (continued)

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.

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

2 Other operating expenses

The other operating expense is related to real estate transfer tax in connection with the Group reorganisation.

3 Staff numbers and costs

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

4 Directors' remuneration

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

5 Auditors remuneration

The audit fee has been included in the overall audit fee for INEOS Styrolution Holdings Limited both in the current year and is not separately recharged to the company.

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

6 Tax on profit on ordinary activities

Recognised in the profit and loss account	2016	
	€m	
UK Corporation tax	-	
Reconciliation of effective tax rate	2016	
	€m	
Total tax	-	
Profit on ordinary activities before taxation	174.4	
Profit on ordinary activities before taxation multiplied by the standard rate of tax in the UK of 20%	34.9	
Income not taxable	(35.0)	
Group relief not paid	0.1	
Total tax income/(loss)	-	

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 2017 and to 17% from 1 April 2020.

7 Fixed asset investments

The directors believe the carrying value of the investments is supported by the underlying cash flows of the subsidiaries.

		Subsidiaries (€m)
At 31 December 2016		1,080.8

On 9 June 2016 the company acquired all the share capital of Ineos Styrolution Switzerland SA and Ineos Styrolution Investment GmbH via a share for share exchange with its parent companies. 100,000 new Ordinary Shares were issued in each case (see note 9). As permitted by S611 CA 20016 (group reconstruction relief) and the reliefs in FRS 102, the company has recorded the investments in each of the companies at the historic book value of the investments recorded in the parent companies accounts. Details of the companies direct and indirect subsidiaries and percentages of equity share capital held are set out below.

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

7 Fixed assets Investments (continued)

Name of the company	Country of incorporation and registered address	Voting share	Ownership share
INEOS Styrolution Investment GmbH ¹	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution Holding GmbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution America LLC	USA, 1209 Orange Street, Wilmington DE 19801, Delaware	100%	100%
INEOS Styrolution Belgium NV	Belgium, Haven 725, Scheldelaan 600, 2040 Antwerp	100%	100%
INEOS Styrolution Belgium Services bvba	Belgium, 2070 Zwijndrecht, Nieuwe Weg 1, 1053 Haven, Mechelen	100%	100%
INEOS Styrolution Beteiligungs GmbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution Brazil Holding B.V.	The Netherlands, Strawinskylaan 411, NL-1077 XX Amsterdam	100%	100%
INEOS Styrolution Canada Limited.	Canada, 872 Tashmoo Avenue, Sarnia ON N7T 8A3 Ontario	100%	100%
INEOS Styrolution do Brasil Polimeros Ltda.	Brazil, Rua Arandu, 57, anterior 1544, conjuntos 111 and 112, Brooklin Paulista, São Paulo 04562-910	100%	100%
INEOS Styrolution do Brasil ABS S.A.	Brazil, Rua Arandu, 57, anterior 1544, conjuntos 111 and 112, Brooklin Paulista, São Paulo 04562-910	100%	100%
INEOS Styrolution HongKong Company Limited	China, Room 816, 8/F, Miramar Tower, 132 Nathan Road, Tsimshatsui Hong Kong	100%	100%
INEOS Styrolution Europe GmbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution France SAS	France, rue Albert Duplat, F-62410 Wingles	100%	100%
INEOS Styrolution France Services SAS	France, 95 rue la Boétie, F-75008 Paris	100%	100%
INEOS Styrolution Group GmbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution Iberia S.L.	Spain, Ronda General Mitre 28-30, 08017 Barcelona	100%	100%
INEOS Styrolution India Limited	India, 6th Floor, ABS Towers, Old Padra Road, 390007 Vadodara	75%	75%

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

7 *Fixed assets Investments (continued)*

Styrolution India Private Limited (merged with Styrolution ABS (India) Limited as of 31 March 2016)	India, Mumbai	75%	75%
INEOS Styrolution Switzerland SA	Switzerland, Avenue des Uttins 3, CH-1180 Rolle	100%	100%
INEOS Styrolution Italia S.r.L.	Italy, Via Caldera 21, 20153 Milano Cesano Maderno	100%	100%
INEOS Styrolution Kimyasal Ürünler Ticaret Limited Sirketi	Turkey, Büyükdere Cad. Meydan Sok., Spring Giz Plaza K. 13 N.11, Maslak Sariyer Istanbul	100%	100%
INEOS Styrolution Köln GmbH	Germany, Alte Strasse 201, 50769 Cologne	100%	100%
INEOS Styrolution Korea Limited.	South Korea, Sanggae-ro 143 (Sanggae-dong), Nam-gu, Ulsan	100%	100%
INEOS Styrolution Ludwigshafen GmbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution Mexicana, S.A. de C.V.	Mexico, Avenida Insurgentes Sur No. 863, Piso 6, Colonia Nápoles, 03810, Mexico City	100%	100%
INEOS Styrolution Netherlands B.V.	The Netherlands, Strawinskylaan 411, NL-1077 XX Amsterdam	100%	100%
INEOS Styrolution OOO	Russian Federation, Bldg. 3, 18 Pyatnitskaya St., 115035 Moscow	100%	100%
INEOS Styrolution Poland Sp. z o.o.	Poland, ul. Wołoska 9, 02-583 Warszawa Legionowo	100%	100%
INEOS Styrolution Polymers (Shanghai) Co. Limited.	China, Suite 2304, Central Towers, 567 Langao Road, Putuo District, Shanghai 200333	100%	100%
INEOS Styrolution Schwarzheide GmbH	Germany, Schipkauer Strasse 1, 01987 Schwarzheide	100%	100%
INEOS Styrolution Servicios, S.A. de C.V.	Mexico, Avenida Insurgentes Sur No. 863, Piso 6, Colonia Nápoles, 03810, Mexico City	100%	100%
INEOS Styrolution APAC Pte Limited.	Singapore, 111 Somerset Road, #08 238164 Singapore	100%	100%
Styrolution Sweden AB (merged with INEOS Styrolution Verwaltungsgesellschaft mbH as of 30 June 2016)	Sweden, Trelleborg	100%	100%
INEOS Styrolution UK Limited	United Kingdom, c/o DWF LLP, 1 Scott Place 2 Hardman Street, Manchester M3 3AA	100%	100%

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

7 Fixed assets Investments (continued)

INEOS Styrolution US Holding LLC	USA, 1209 Orange Street, Wilmington DE 19801, Delaware	100%	100%
INEOS Styrolution Verwaltungsgesellschaft mbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution (Thailand) Co., Limited.	Thailand, No. 4/2, I-8 Road, T. Map Ta Phut, A Muang, 2115 Rayong	100%	100%
INEOS Styrolution Verwaltungsgesellschaft mbH	Germany, Mainzer Landstrasse 50, 60325 Frankfurt	100%	100%
INEOS Styrolution (Thailand) Co., Limited.	Thailand, No. 4/2, I-8 Road, T. Map Ta Phut, A Muang, 2115 Rayong	100%	100%
INEOS Styrolution Vietnam Co., Limited.	Vietnam, 11th Floor, Lotte Center Hanoi, 54 Lieu Giai Street Hanoi	100%	100%
INEOS Styrolution APAC Pte Limited. – Japan Branch	Japan, Nishishinjuku 1-25-1, Shinjuku-ku, Tokyo-to	100%	100%

¹ Company held directly by INEOS Styrolution Financing Limited. All other companies are held indirectly.

8 Creditors: amounts falling due within one year

	<u>2016</u>
	€m
Other financial liabilities	<u>0.7</u>
	<u>0.7</u>

9 Capital and reserves

Share capital

	2016
	€m
<i>Allotted, called up and fully paid</i>	
200,100.00 Ordinary shares of €1.38 each	<u>0.3</u>
	<u>0.3</u>

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.

The share capital of 100 shares was issued on 18 December 2015 when INEOS Styrolution Financing Limited was incorporated. Additional share capital of 200,000 shares was issued on 9 June 2016. See note 7 for details. The shares were issued at a value of EUR 1,080.5 million and the associate premium on the issues has been credited to the share premium account.

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

10 Contingencies

INEOS Styrolution Financing Limited is guarantor of the outstanding term loan debt with an amount of €999m by INEOS Styrolution Group GmbH and INEOS Styrolution US Holding LLC.

11 Ultimate parent undertaking and controlling party

The ultimate parent company at 31 December 2016 was INEOS Limited, a company incorporated in Isle of Man. INEOS Industries Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements. INEOS Styrolution Holding Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. Copies of the both financial statements can be obtained from the Company Secretary Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

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.