

Ineos Holdings Limited

Annual report

for the year ended 31 December 2009

Registered Number 4215887

Ineos Holdings Limited

Annual report

for the year ended 31 December 2009

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Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009.

Principal activities

The principal activities of the Company continue to be the financing of the Ineos Group and acting as a holding company.

Review of the business and future developments

The directors consider the development of the Company's business during the year to be satisfactory. The directors do not expect any change in the Company's activities during the next financial year.

Results and dividends

The results of the Company are set out in the profit and loss account on page 5 which shows a loss on ordinary activities after taxation for the financial year of €570.4m (2008: loss of €535.3 million). An interim dividend of € nil (2008: € nil) was paid during the year. The directors do not recommend the payment of a final dividend.

Key performance indicators

Given the close involvement of the shareholders in the running of the business, the directors believe that the current level of disclosures within the Directors' Report is sufficient to give an understanding of the development, performance and position of the business.

Directors

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

A Currie	(resigned 31 March 2010)
J Reece	(resigned 31 March 2010)
G Leask	
J W Dawson	(appointed 31 March 2010)
C G Maclean	(appointed 31 March 2010 and resigned 21 September 2010)
M Mitchell	(resigned 30 November 2010)

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 manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. See note 11 of the financial statements for information on financial instruments and interest risk.

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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

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Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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

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

Independent auditors

PricewaterhouseCoopers are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the Board



M Stokes
Company Secretary
28 February 2011

Ineos Holdings Limited

Independent auditors' report to the members of INEOS Holdings Limited

We have audited the financial statements of INEOS Holdings Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
28 February 2011

Ineos Holdings Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 €'m	2008 €'m
Administrative expenses before exceptional items		(82.6)	(95.1)
Exceptional administrative expenses		(0.4)	(1.8)
Administrative expenses		(83.0)	(96.9)
Other operating income		74.7	80.0
Operating loss		(8.3)	(16.9)
Interest receivable and similar income	3	351.2	312.0
Interest payable and similar charges	3	(866.3)	(925.9)
Loss on disposal of investments	4	(135.0)	-
Loss on ordinary activities before taxation		(658.4)	(630.8)
Taxation	5	88.0	95.5
Loss for the financial year	13	(570.4)	(535.3)

All the activities of the company relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.


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

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Balance sheet as at 31 December 2009

	Note	2009 €'m	2009 €'m	2008 €'m	2008 €'m
Fixed assets					
Tangible assets	6		0.3		-
Investments	7		7,510.0		7,554.0
			7,510.3		7,554.0
Current assets					
Debtors due within one year	8	2,378.6		2,170.7	
Debtors due after more than one year	8	2,864.1		2,711.6	
Cash at bank and in hand		68.8		55.5	
		5,311.5		4,937.8	
Creditors: amounts falling due within one year	9	(4,584.4)		(3,505.3)	
Net current assets			727.1		1,432.5
Total assets less current liabilities			8,237.4		8,986.5
Creditors: amounts falling due after more than one year	10		(9,510.6)		(9,689.3)
Net liabilities			(1,273.2)		(702.8)
Capital and reserves					
Called up share capital	12		17.7		17.7
Profit and loss account	13		(1,290.9)		(720.5)
Total shareholders' deficit	14		(1,273.2)		(702.8)

The financial statements on pages 5 to 20 were approved by the board of directors on 28 February 2011 and were signed on its behalf by:


 G W Leask
 Director

Ineos Holdings Limited

Statement of accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Based on the budgeted cash flows of the Company and its subsidiaries and taking into account the facilities available, the directors continue to adopt the going concern basis in preparing the financial statements. The principal accounting policies, which have been applied consistently, are set out below.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write down the cost of the relevant assets to their estimated residual values in equal annual instalments over their expected useful lives. The rates used are as follows:

Fixtures and fittings	20%
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Investments

Investments held as fixed assets are stated at cost less provision for impairment. All investments are reviewed for impairment when there are indications that the carrying value may not be fully recoverable.

Deferred finance costs

Costs associated with raising finance are deducted from the gross proceeds in the balance sheet and amortised over the term of the relevant financing at a constant rate on the carrying amount.

Deferred taxation

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

Foreign currencies

Transactions are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in the balance sheet are translated at the closing rate for the period. All translation gains or losses on the settlement of monetary assets and liabilities are included in the determination of profit or loss for the year.

Exchange differences on long-term monetary items outstanding at the balance sheet date are dealt with in the profit and loss account. This treatment is required by SSAP 20 in order to give a true and fair view of the Company's results. Compliance with SSAP 20 overrides schedule 4 paragraph 12 of the Companies Act 2006 which states that only profits realised at the balance sheet date should be included in the profit and loss account. The effect of the currency retranslation is disclosed in note 3.

Financial instruments

Amounts payable or receivable in respect of interest rate cap, floor and swap agreements are recognised in the interest payable charge on an accruals basis. The interest differential amounts due to/from the counterparty on such agreements are accrued until settlement date and are recognised as an adjustment to interest expense.

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Cash flow and related party transactions

The company is a wholly owned subsidiary of Ineos Group Holdings Plc and is included in the consolidated financial statements of the ultimate parent company Ineos Group Limited. Consequently, the company has taken advantage of the exemptions from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 'Cash flow statements' (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard Number 8 'Related party transactions' from disclosing related party transactions with entities that are part of the Ineos Group Limited group.

Consolidated financial statements

The financial statements contain information about Ineos Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under the Companies Act 2006 from the requirement to prepare consolidation in the consolidated financial statements of its ultimate parent, Ineos Group Limited, a company incorporated in England and Wales.

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Notes to the financial statements for the year ended 31 December 2009

1 Reporting currency

The financial statements are expressed in Euros as the company primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in Euros.

The exchange rate as at 31 December 2009 was € 1.11944 to £1 (2008: €1.0201 to £1).

2 Employees

The company's employee costs are borne by other group companies and recharged.

3 Interest and similar items

	2009	2008
	€'m	€'m
Interest receivable and similar income		
Interest receivable from subsidiary undertakings	305.9	297.1
Interest receivable on bank balances	5.2	14.9
Exchange differences on foreign currency loan balances	40.1	-
	351.2	312.0
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	432.9	366.0
Interest payable to group undertakings	405.0	390.2
Exchange differences on foreign currency loan balances	-	141.3
Other interest	0.5	0.5
Amortisation of debt issue costs	27.9	27.9
	866.3	925.9

Exchange differences on foreign currency denominated loan balances have been recognised in the profit and loss account in accordance with SSAP 20, as explained in the Statement of accounting policies.

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4 Loss on disposal of investments

During 2009, the Company made a number of disposals to a related party, Ineos Industries Limited, an entity held under common control by the Company's ultimate shareholders. The Company received no consideration for the disposals.

The Company has committed to provide further support to Ineos Industries Limited for the purpose of working capital management of €75 million and has therefore included this amount within the loss on disposal. Management believe it is likely that this amount will be called upon by the businesses within one year and have therefore provided for it on disposal as a current liability. If any amount is not called upon within five years the Company must remit the remaining balance at that point.

5 Taxation

Analysis of credit in year:

	2009	2008
	€'m	€'m
Current tax		
Group relief receivable at 28% (2008: 28%)	(90.9)	(137.6)
Adjustments in respect of previous years	3.5	42.9
Total current tax	(87.4)	(94.8)
Deferred tax		
Origination and reversal of timing differences	0.3	(0.7)
Adjustments in respect of previous years	(0.9)	-
Total deferred tax	(0.6)	(0.7)
Tax on loss on ordinary activities	(88.0)	(95.5)

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5 Taxation (continued)

The current tax for the year is higher (2008: higher) than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2009	2008
	€'m	€'m
Loss on ordinary activities before tax	(658.4)	(630.8)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 28%)	(184.4)	(176.7)
Effects of:		
Non taxable credits	47.4	2.8
Other timing differences	(0.2)	0.7
Tax losses not recognised	46.3	35.5
Adjustments in respect of previous years	3.5	42.9
Total current tax	(87.4)	(94.8)

There are no factors which are expected to significantly affect the future tax charge.

6 Tangible fixed assets

	Fixtures and fittings	Total
	€'m	€'m
Cost		
At 1 January 2009	0.4	0.4
Additions	0.3	0.3
At 31 December 2009	0.7	0.7
Accumulated depreciation		
At 1 January 2009	0.4	0.4
Charge for the year	-	-
At 31 December 2009	0.4	0.4
Net book amount		
At 31 December 2009	0.3	0.3
At 31 December 2008	-	-

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7 Investments

	2009	2008
	€'m	€'m
Investment in subsidiary undertakings		
At 1 January 2009	7,554.0	7,121.5
Additions	262.8	432.5
Disposals	(306.8)	-
At 31 December 2009	7,510.0	7,554.0

Included in investments in subsidiary undertakings are long term loans owed by group undertakings of €1,414.6 million (2008: €1,414.6 million).

The directors believe that the carrying value of the investments is supported by their underlying net assets.

During 2009, the Company made a number of disposals to a related party, Ineos Industries Limited, an entity held under common control by the Group's ultimate shareholders. The Company received no consideration for these disposals. The Company capitalised a €251.3m loan to its subsidiary Ineos Chlor Limited, which was then subsequently sold at par to Ineos Phenol Limited, a wholly owned subsidiary.

The following information relates to the principal subsidiary undertakings of the Company:

Company	Country of incorporation and operation	Percentage holding	Principal activity
Ineos US Finance LLC*	US	100%	Finance
Ineos Industrial Investments Limited*	England	100%	Finance
Ineos Oxide Limited*	England	100%	Chemicals
Ineos NV	Belgium	100%	Chemicals
Ineos Belgium NV	Belgium	100%	Chemicals
Ineos Italia Srl	Italy	100%	Chemicals
Ineos Partners DGP	US	100%	Holding Company
Ineos Phenol Limited*	England	100%	Holding Company
Ineos Phenol GmbH	Germany	100%	Chemicals
Ineos Investment Holdings (Fluor & Silicas) Limited	England	100%	Holding Company
Ineos Intermediate Holdings (Fluor & Silicas)	England	100%	Holding Company

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7 Investments (continued)

Company	Country of incorporation and operation	Percentage holding	Principal activity
Ineos Holdings (Fluor & Silicas) Limited	England	100%	Holding Company
Ineos Fluor Holdings Limited	England	100%	Holding Company
Ineos Fluor Limited	England	100%	Chemicals
Ineos Fluor Japan Limited	Japan	100%	Chemicals
IFJ Korea Limited	Korea	100%	Chemicals
Ineos Fluor Canada Inc	Canada	100%	Chemicals
Ineos Fluor Americas LLC	US	100%	Chemicals
Ineos Silicas Holding Limited	England	100%	Holding Company
Ineos Silicas Limited	England	100%	Chemicals
Ineos Silicas Netherlands BV	Holland	100%	Chemicals
Ineos Silicas Sales and Distribution BV	Holland	100%	Chemicals
Ineos Silicas South Africa Pty Limited	South Africa	100%	Chemicals
PT Ineos Silicas Indonesia	Indonesia	100%	Chemicals
Ineos Brazil Limited	Brazil	100%	Chemicals
Ineos US Holding Company II LLC	US	100%	Holding Company
Ineos US Intermediate Holding Company LLC	US	100%	Holding Company
Ineos Americas LLC	US	100%	Chemicals
Ineos US Investment Holding Company LLC	US	100%	Holding Company
Ineos European Holdings Limited	England	100%	Holding Company
Ineos Belgium Holdco NV*	Belgium	100%	Holding Company
Ineos Manufacturing Deutschland GmbH	Germany	100%	Chemicals
Ineos Koln GmbH	Germany	100%	Chemicals
Ineos France SAS	France	100%	Chemicals
Ineos Europe Limited	England	100%	Chemicals
Ineos Manufacturing Belgium NV	Belgium	100%	Chemicals
Ineos Feluy SPRL	Belgium	100%	Chemicals
Ineos Manufacturing Scotland Limited	Scotland	100%	Chemicals
Ineos Sales Belgium NV	Belgium	100%	Chemicals
Ineos Sales Italia s.r.l.	Italy	100%	Chemicals

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7 Investments (continued)

Company	Country of incorporation and operation	Percentage holding	Principal activity
Ineos Manufacturing France SAS	France	100%	Chemicals
Ineos Manufacturing Italia s.p.a.	Italy	100%	Chemicals
Ineos Services Belgium NV	Belgium	100%	Chemicals
Ineos Deutschland GmbH	Germany	100%	Holding Company
Ineos LLC	US	100%	Holding Company
Ineos Holdings Company LLC	US	100%	Holding Company
Ineos Marketing Support Limited	England	100%	Chemicals
Ineos USA LLC	US	100%	Chemicals
Ineos Polymers Inc	US	100%	Chemicals
Ineos Canada Company	Canada	100%	Chemicals
Ineos Canada Partnership	Canada	100%	Chemicals
Ineos Canada Investment Company	Canada	100%	Holding Company
Ineos Chlor Newco 3 Limited*	England	100%	Holding Company
Ineos Chlor Limited	England	100%	Chemicals
Ineos Chlor Atlantik GmbH	Germany	100%	Chemicals
Ineos Vinyls Group Limited*	England	100%	Holding Company
Ineos Vinyls Limited	England	100%	Holding Company
Ineos Vinyls Finance plc	England	100%	Finance
Ineos Vinyls UK Limited	England	100%	Chemicals
Ineos Vinyls Belgium SA/NV	Belgium	100%	Chemicals
Ineos Vinyls Deutschland GmbH	Germany	100%	Chemicals
Ineos Vinyls Sales GmbH	Germany	100%	Chemicals
Ineos Compounds UK Limited	England	100%	Chemicals
Ineos Compounds Switzerland AG	Switzerland	100%	Chemicals
Ineos Films s.p.a.	Italy	100%	Chemicals
Ineos Films Italia s.r.l.	Italy	100%	Chemicals
Ineos Films Inc	US	100%	Chemicals
Ineos Films GmbH	Germany	100%	Chemicals
Ineos Films Staufen GmbH	Germany	100%	Chemicals

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7 Investments (continued)

Company	Country of incorporation and operation	Percentage holding	Principal activity
Caprihans India Limited	India	59%	Chemicals
Lustran Polymers SL	Spain	51%	Chemicals
Ineos Holdings (Malta) Limited *	Malta	100%	Holding Company
Ineos Financing (Malta) Limited	Malta	100%	Holding Company
Ineos Holdings Norge AS *	Norway	100%	Holding Company
Ineos Bamble AS	Norway	100%	Chemicals
Ineos Sales Norge AS	Norway	100%	Chemicals

*Held directly by the company.

8 Debtors

	2009 €'m	2008 €'m
Amounts due within one year		
Amounts owed by group undertakings	2,346.7	2,140.6
Deferred taxation	25.8	25.2
Other debtors	0.4	2.8
Prepayments	5.7	2.1
	2,378.6	2,170.7

The deferred tax asset relates to short term timing differences.

	2009 €'m	2008 €'m
Amounts due after more than one year		
Loans due from group undertakings	2,864.1	2,711.6

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9 Creditors – amounts falling due within one year

	2009	2008
	€'m	€'m
Senior Facility Agreement (see note 12)	772.1	580.2
Accruals and deferred income	123.8	95.3
Deferred consideration	30.1	30.4
Amounts owed to related parties	72.2	-
Other creditors	1.8	-
Amounts owed to group undertakings	3,584.4	2,799.4
	4,584.4	3,505.3

10 Creditors – amounts falling due after more than one year

	2009	2008
	€'m	€'m
Senior Facilities Agreement (see note 12)	3,105.8	3,300.5
Floating Rate Unsecured Loan Note	1,248.2	1,561.7
Funding Loan	2,244.2	2,244.0
Loans owed to group undertakings	2,912.4	2,583.1
	9,510.6	9,689.3

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11 Borrowings

	2009	2008
	€'m	€'m
Gross borrowings	10,394.7	10,417.5
Less issue costs	(117.9)	(148.0)
Net borrowings	10,276.8	10,269.5
Gross borrowings are repayable as follows:		
Due within one year	792.6	600.7
Due between one and two years	2,300.3	214.8
Due between two and five years	2,290.5	3,542.1
Due after more than five years	5,011.3	6,059.9
	10,394.7	10,417.5

Senior Facilities Agreement

The Company has outstanding borrowings under a facilities agreement (the "Senior Facilities Agreement") which consists of Term Loans ("Term Loan A", "Term Loan B", "Term Loan C" and "Term Loan D") and a revolving credit facility (the "Revolving Credit Facility"). The Term Loans outstanding at 31 December 2009 were €3,381.8 million (31 December 2008: €3,572.9 million), of which €200.8 million (31 December 2008: €190.7 million) is due within one year. The total amounts outstanding on Term Loan A were €569.8 million (31 December 2008: €726.3 million), Term Loan B were €1,059.0 million (31 December 2008: €1,070.0 million), Term Loan C were €1,059.0 million (31 December 2008: €1,070.0 million), Term Loan D were €650 million (31 December 2008: €650.0 million), and Revolving Credit Facility were €577.9 million (31 December 2008: €410.0 million).

Term Loan A is repayable in 14 semi-annual instalments beginning on 31 December 2006 ranging from 6.0% to 10.0% of the principal amount of the loan up until the final repayment on 16 December 2012. Term Loan B is repayable in 9 instalments beginning on 31 December 2006 ranging from 1.0% to 46.5% of the principal amount of the loan up until the final repayment on 16 December 2013. Term Loan C is repayable in 10 instalments beginning on 31 December 2006 ranging from 1.0% to 46.5% of the principal amount of the loan up until the final repayment on 16 December 2014. Term Loan D is repayable in full on 16 December 2015.

The Term Loans and Revolving Credit Facility bear interest at a rate equal to a margin plus either EURIBOR or LIBOR. The applicable per annum margins as at 31 December 2009 are 4.00% per annum for the Term Loan A facility; 4.50% per annum for the Term Loan B facility; 5.00% per annum for the Term Loan C facility; 6.00% per annum for Revolving Credit Facility; and 6.00% per annum for the Term D Loan Facility. With effect from July 17, 2009 the Term Loans are also subject to a Payment in Kind ('PIK') margin of 2.0% per annum.

The cash margins on Term Loans A and B are subject to a reduction based on certain financial tests. The PIK margin is subject to a reduction based upon achieving certain reductions in total leverage, together with achieving certain credit ratings with Moody's and Standard and Poor.

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11 Borrowings (continued)

A US dollar LIBOR floor of 3.00% applies to all US dollar denominated Term Loans and is payable in cash. A EURIBOR floor of 3.25% applies to all Euro denominated Term Loans. The EURIBOR floor is payable in cash with effect from 12 May 2010. Prior to that date, the difference between the actual EURIBOR at the start of each interest period and the floor was accrued over the period and is not payable in cash until the final repayment dates of the applicable loans.

Ineos Holdings Limited and substantially all of its material subsidiaries are guarantors of the Senior Facilities Agreement. Their obligations are secured by fixed and floating charges over all of the assets of Ineos Holdings Limited and substantially all of the assets of those material subsidiaries.

The Senior Facilities Agreement contains numerous customary operating and financial covenants including requirements to maintain minimum coverage of interest expense, minimum coverage of total debt service and a maximum leverage ratio. The Company is currently in the process of renegotiating its financial covenants (see Statement of Accounting Policies). In addition, the Senior Facilities Agreement includes covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends.

The Term Loans are stated net of unamortised debt issue costs of €81.7 million (2008: €102.2 million). These costs are allocated to the profit and loss account in accordance with FRS 4 Capital Instruments.

Floating Rate Unsecured Loan Note

The Company issued a \$1,785,000 Floating Rate Unsecured Loan Note (the "FRN") to Ineos US Finance LLC, a subsidiary undertaking, on 27 November 2006 to replace a short term funding loan. The FRN bears interest at US\$ LIBOR plus a margin and is scheduled to be repaid in 2026. The FRN is listed on the Channel Islands Stock Exchange.

Funding Loan

The Company had outstanding borrowings of €1,750 million and \$750 million under a funding loan (the "Funding Loan") from Ineos Group Holdings plc, the immediate parent undertaking. The Funding Loan reflects an amount equal to the outstanding principal of the Senior Notes issued by Ineos Group Holdings plc and is a general unsecured obligation of the Company. The Funding Loan bears interest at a rate equal to the rate borne by the Senior Notes and will be repaid on 15 February 2016, or such later date as the Company and Ineos Group Holdings plc may agree. The Funding Loan bears interest at 7.875% per annum for the euro loan and 8.5% for the dollar loan.

The Company is prohibited by the Intercreditor Deed from making any payments upon or in respect of the Funding Loan without the prior consent of the majority senior lenders (as defined in the Senior Facilities Agreement). Under the Intercreditor Deed, the obligations of the Company under the Senior Facilities Agreement rank senior in right of payment to the Funding Loan.

The Funding Loan is stated net of debt issue costs of €36.2 million (2008: €42.1 million).

Receivables Securitisation Facility

The Company is party to a debt securitisation programme in which various group subsidiaries sell trade receivables to Ineos Finance Ireland, a special purpose entity, for a discounted rate. Ineos Finance Ireland pledges the receivables as security for borrowings from a number of conduit lenders.

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12 Called up share capital

	2009	2008
	€'m	€'m
Authorised, allotted, issued and fully paid		
11,500,131 ordinary shares of £1 each	17.7	17.7

As the reporting currency of the company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance.

13 Profit and loss account

	€'m
At 1 January 2009	(720.5)
Loss for the financial year	(570.4)
At 31 December 2009	(1,290.9)

14 Reconciliation of movements in total shareholders' deficit

	2009	2008
	€'m	€'m
Loss for the financial year	(570.4)	(535.3)
Dividends	-	-
Retained loss for the financial year	(570.4)	(535.3)
Net addition to total shareholders' deficit	(570.4)	(535.3)
Opening total shareholders' deficit	(702.8)	(167.5)
Closing total shareholders' deficit	(1,273.2)	(702.8)

Ineos Holdings Limited

15 Ultimate parent undertaking and controlling party

As at 31 December the immediate parent undertaking was Ineos Group Holdings Plc, a company incorporated in England and Wales.

The ultimate controlling party is Mr J A Ratcliffe, director and majority shareholder of INEOS Limited. The ultimate parent company at 31 December 2009 was INEOS Limited, a company incorporated in England and Wales. As of 26 March 2010, INEOS AG, a Swiss corporation, became the ultimate parent company.

Ineos Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2009. The consolidated financial statements of Ineos Limited are available from the Company Secretary, Ineos Limited, Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG.

Ineos Group Holdings plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The financial statements of Ineos Group Holdings plc are available from the Company Secretary, Ineos Limited, Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG.