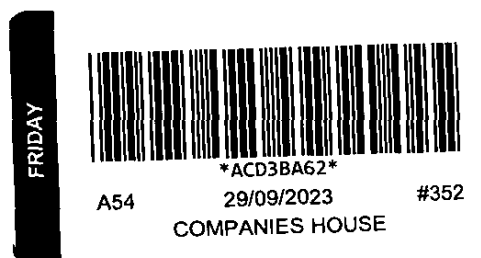


# **INEOS Treasury (UK) Limited**

Annual report and financial statements

Registered number 04068860

For the year ended 31 December 2022



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## Strategic report

The directors present their strategic report for the year ended 31 December 2022.

### Business overview

The principal activity of the company is to act as a financing company for the INEOS Group of companies. There has been no change from the prior year.

### Business review

The results of the company are set out in the profit and loss account on page 13 which shows a profit for the financial year of €857,200 (2021: €134,900 profit).

### 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 financing 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 discussed in the context of the group as a whole and are provided in the annual report of parent company INEOS Group Holdings S.A., which does not form part of this report. This annual report can be obtained from <https://www.ineos.com/investor-relations/annual-reports>.

### Key Performance Indicators

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. The development, performance and position of the Group which includes the Company are discussed in the Group's annual report which does not form part of this report.

### Stakeholder Engagement

The Company aims to build enduring relationships with its stakeholders which may include governments, regulators, partners and communities in the countries where it operates. The Company works with its stakeholders in a honest, respectful and responsible way.

### Section 172 (1) statement

The directors have the duty under section 172 to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. In the performance of its duty to promote the success of the Company and fairness in decision making the Board have regard (amongst other matters) for:

- a. the likely consequences of any decision in the long term;
- b. the interests of the company's employees;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and the environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

The Company's governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Company's long-term success, which are discussed below.

## Strategic report (continued)

### Section 172 (1) statement (continued)

#### Long term factors (a)

The Company's principal objectives are to maintain its position as a key global supplier of its products and to increase the value of INEOS by generating strong, sustainable, and growing cash flows across industry cycles. To achieve these objectives, the Company has the following key strategies:

- a. Maintain health, safety, security, and environmental excellence;
- b. Maintain and grow the Company's leadership positions to enhance competitiveness;
- c. Reduce costs and realise synergies;
- d. Maximise utilisation of assets;
- e. Access advantaged feedstock and energy opportunities; and
- f. Develop and implement a sustainable business.

The Company aims to operate and develop its business in a way that supports both the current and future needs, taking into account relevant economic, environmental, and social factors. This enables the Company to sustain the business for the long term. The directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Company's leading position in the market and also in a circular world. The directors ensure that the Company has sufficient resources to support its long-term growth strategy and to fund its investments. An important element is the Company's long-term cash and operational planning in relation to the capital requirements needed to grow and to extend the life span of the assets. The directors consider available and required funds as a basis for any dividend under its distribution policy.

#### Stakeholder considerations (b – e)

Engaging stakeholders and developing meaningful partnerships is essential for long-term business success. The Company engages in regular, open, and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns, and needs. For example in many instances suppliers are located on the same chemical parks which helps develop partnerships, facilitate discussions as well as reduce waste, inefficiency. The Company also works with trade unions and have open and constructive discussions as well as investing in training programmes to continue to develop employees at all levels of the organisation. In this way, the Company is able to integrate stakeholder's considerations into business decision-making processes. Dialogue with stakeholders gives the Company the opportunity to explain its clear and committed approach to sustainability as well as the value of the Company's work, products and services for society.

Key stakeholders contribute to the Company's economic, social, and environmental performance. Stakeholders include customers, suppliers, employees, investors, financial experts and rating agencies, local communities, industry associations, NGOs, scientific institutions, universities, government, and value chain partners. The Company is very conscious of having a sustainable business so INEOS produces an annual sustainability report which aligns with the Global Reporting Initiative (GRI) framework and focuses on the issues most material to the Company and its stakeholders.

The report focuses on seven key areas, being:

1. Climate change – advancing the transition to net zero;
2. Circular economy – maximising resource efficiency and eliminating waste;
3. Zero pollution – driving progress towards sustainable chemical value chains;
4. Our people – prioritising workplace health and safety (SH&E) and fairness;
5. People in our value chain – safeguarding conditions and human rights;
6. People in our communities – respecting and supporting local communities;
7. Governance – maintaining the highest standard of ethics and compliance.

These matters are considered by the directors in making decisions and in assessing the long-term viability of the business.

## Strategic report (continued)

### Section 172 (1) statement (continued)

The Company is committed to maintaining a workplace that is safe, professional, and supportive of teamwork and trust. The Company is committed to creating and sustaining a work environment of mutual trust where all employees are treated with respect and dignity, compensated fairly based on local market conditions, and are entitled to adequate working hours. The Company value diversity of its people and each of its employees is recognised as an important member of the team.

The Company is committed to protecting and maintaining the quality of the environment and to promoting the health and safety of its employees, contractors, suppliers, customers, visitors, and the communities in which it operates. For example INEOS is a signatory to the International Council of Chemical Associations' (ICCA) Responsible Care Global Charter which demonstrates the Company's commitment to strengthening chemicals management systems, safeguarding people and the environment, and working towards sustainable solutions through our value chain. Compliance with all legislation intended to protect people, property and the environment is one of the Company's fundamental priorities and applies to its products as well as to its processes. Management lead by example and allocate the required resources to achieve excellence in SHE performance.

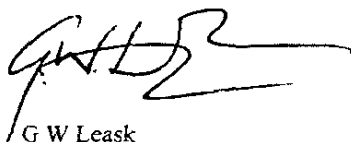
#### *The need to act fairly as between members of the Company (f)*

The Company has a single shareholder and a single ultimate controlling party. Their interests are taken into account by the directors to promote fairness in decision making.

#### *Principal Decisions*

There were no principal decisions that management took in the year ending 31 December 2022.

Approved and signed on behalf of the Board



G W Leask  
Director  
08 June 2023

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2022.

### Directors

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

G Leask  
J F Ginns

### 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 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 Group Holdings S.A.

### Future developments

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

### Dividends

The directors do not recommend the payment of an interim or final dividend (2021: nil).

### Covid-19 and the Ukraine conflict

The Company and its fellow subsidiaries continue to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Company's plants.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Company and its fellow subsidiaries plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Company and its fellow subsidiaries. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Company does not have operations in Belarus, Russia or Ukraine. During 2021 and 2022 revenue generated in these countries was not material to the Company and its fellow subsidiaries. The Company and its fellow subsidiaries are not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Company and its fellow subsidiaries products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Company's ability to operate as a going concern.

### Going concern

The directors have considered the Company's projected future cash flows and working capital requirements. As at 31 December 2022, the company had net current assets of €2,556,500 (2021: €1,699,300). The company held cash of €160.0 million (2021: €146.4 million) and loans and borrowings of € 157.4 million (2021: €144.7 million). The profit for the year was €857,200 (2021: €134,900 profit). The Directors have stress tested the projected future cash flows through taking account of reasonable possible changes in performance to determine the level of support that may be required from the parent company. The directors have received confirmation that a parent, INEOS Holdings Limited, will continue to support the company for at least the 12 months from signing of these financial statements.

## **Directors' report (continued)**

### ***Going concern*** (continued)

After making enquiries, the directors have a reasonable expectation that the parents going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the company will therefore have adequate resources to continue in operational existence for the foreseeable future. According, the company continues to adopt the going concern basis in preparing its financial statements.

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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 auditor**

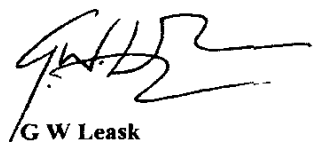
The directors confirm that as far as they are aware, there is no relevant audit information of which the company's auditor are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor are aware of that information. This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

### **Independent auditor**

During the year Deloitte LLP were reappointed as auditors and have expressed their willingness to continue in office as auditor pursuant to Section 485- 488 of the Companies Act 2006. Appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

**Directors' report (continued)**

Approved and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'G W Leask', with a stylized flourish at the end.

**G W Leask**  
**Director**  
INEOS Treasury UK Limited  
Hawkslease  
Chapel Lane  
Lyndhurst  
SO43 7FG  
08 June 2023



## **Independent auditor's report to the members of INEOS Treasury (UK) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of INEOS Treasury (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent auditor's report to the members of INEOS Treasury (UK) Limited (continued)**

### **Other information (continued)**

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

### **Auditor's 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 auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Bribery Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

## **Independent auditor's report to the members of INEOS Treasury (UK) Limited (continued)**

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**Independent auditor's report to the members of INEOS Treasury (UK) Limited  
(continued)**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Gallagher FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, UK  
08 June 2023

**Profit and Loss Account**  
*for the year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> <b>€'000</b>	2021 €'000
Interest receivable and similar income	4	<b>1,497.0</b>	544.7
Interest payable and similar expenses	5	<b>(438.8)</b>	(378.1)
<b>Profit before taxation</b>		<b>1,058.2</b>	166.6
Tax on profit	6	<b>201.0</b>	31.7
<b>Profit for the financial year</b>		<b>857.2</b>	134.9

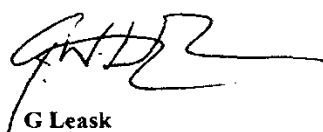
All activities of the company relate to continuing operations.

The company has not recognised other comprehensive income in either year and therefore no separate statement of other comprehensive income has been presented.

**Balance Sheet**  
*As at 31 December 2022*

	Note	2022 €'000	2021 €'000	2021 €'000
<b>Current assets</b>				
Cash at bank and in hand	7	160,001.4	146,391.0	
		<u>160,001.4</u>	<u>146,391.0</u>	
<b>Creditors: amounts falling due within one year</b>	8	(157,444.9)	(144,691.7)	
<b>Net current assets</b>			2556.5	1699.3
<b>Total assets less current liabilities</b>			<u>2,556.5</u>	<u>1,699.3</u>
<b>Net assets</b>			<u>2,556.5</u>	<u>1,699.3</u>
<b>Capital and reserves</b>				
Called up share capital	9	-	-	-
Profit and loss account		2,556.5	1,699.3	
<b>Total shareholders' funds</b>		<u>2,556.5</u>	<u>1,699.3</u>	

The financial statements on pages 13 to 21 were approved by the Board of Directors on 08 June 2023 and signed on its behalf by:



**G Leask**  
Director

Company registered number: 04068860

**Statement of Changes in Equity**  
*for the year ended 31 December 2022*

	<b>Called up Share capital €'000</b>	<b>Profit and loss account €'000</b>	<b>Total shareholders' funds €'000</b>
Balance at 1 January 2021	-	1,564.4	1,564.4
Total Comprehensive Income for the financial year	-	134.9	134.9
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>1,699.3</b>	<b>1,699.3</b>

	<b>Called up Share capital €'000</b>	<b>Profit and loss account €'000</b>	<b>Total shareholders' funds €'000</b>
Balance at 1 January 2022	-	1,699.3	1,699.3
Total Comprehensive Income for the financial year	-	857.2	857.2
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>2,556.5</b>	<b>2,556.5</b>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

INEOS Treasury (UK) Limited is a private company, limited by shares, incorporated, registered and domiciled in England, UK. The address of the Company's registered office is shown on page 7.

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

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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 period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of INEOS Group Holdings SA include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

### Impact of New standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2022 which have had a material impact on the company.

#### 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 Holdings Limited. The directors have received confirmation that INEOS Holdings Limited intend to support the company for at least one year after these financial statements are signed.



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

**1. Accounting policies (continued)**

**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, the company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

*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.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

*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, less any impairment losses.

**1.5 Derivative financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

**1.6 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.

**1.7 Provisions**

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

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

**1. Accounting policies (continued)**

**1.8 Taxation**

Tax on the profit or loss for the year 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 year, 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.

**1.9 Interest receivable and Interest payable**

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

**2 Auditor's remuneration**

Fees receivable by the company's auditor and their associates in respect of the audit of the financial statements were €4,000 (2021: €2,950). This cost has been borne by INEOS Holdings Limited.

**3 Staff costs and Directors' remuneration**

The company had no employees during the current or previous year.

Neither the directors nor the company secretary received any emoluments during the current or previous year in respect of their services to the company.

**4 Interest receivable and similar income**

	2022 €'000	2021 €'000
Finance income receivable	1,176.1	76.9
Net foreign exchange gain	320.9	467.8
<b>Total interest receivable and similar income</b>	<b>1,497.0</b>	<b>544.7</b>

Finance income relates to cash collateral lodgements (note 7).

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

**5 Interest payable and similar expenses**

	2022 €'000	2021 €'000
Finance charges payable	438.8	378.1

Finance charges relate to the "LC Facility" (note 7).

**6 Tax on profit / loss**

The tax debit recognised for the financial year of € 201,000 (2021: €31,700 debit) is equal to the standard rate of corporation tax in the UK of 19% (2021: 19%) based upon a profit before taxation of €1,058,200 (2021: profit of €166,600).

On 24 May 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. This will affect the tax charge on UK profits generated in 2023 and subsequently.

**7 Cash at bank and in hand**

	2022 €'000	2021 €'000
Cash collateral	160,001.4	146,391.0

On 4 May 2012, the company entered into an on-demand letter of credit facility (the "LC Facility") with Barclays Bank PLC (the "Issuing Bank"), under which the company may request (on its own behalf or on behalf of other Group companies) the Issuing Bank to issue letters of credit, guarantees, performance bonds and indemnities (or any other instrument in a form agreed by the Issuing Bank) ("LC Utilizations"), the outstanding aggregate base currency amount of which is not more than €300 million. Under the terms of the LC Facility, the company undertakes to provide cash collateral in an amount at least equal to the aggregate of 100% of the maximum actual and / or contingent liability of the Issuing Bank under each outstanding LC Utilizations (or 105%, to the extent cash cover is provided in a currency other than the currency of an LC Utilization) standing to the credit of an account or certain accounts of the company which are subject to a lien in favour of the Issuing Bank.

**8 Creditors: amounts falling due within one year**

	2022 €'000	2021 €'000
Amounts owed to group undertakings	132,447.1	115,283.3
Amounts owed to related parties (Note 10)	24,997.8	29,408.4
<b>Total interest receivable and similar income</b>	<b>157,444.9</b>	<b>144,691.7</b>

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

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

**9 Called up share capital**

	2022 €'000	2021 €'000
<i>Alotted, called up and fully paid</i>		
1 (2020: 1) Ordinary share of £1	-	-

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.

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.

**10 Related parties**

Related parties comprise of entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Treasury UK Limited.

**Outstanding balances**

At the year end, the Company had the following balances with related parties:

	2022 €'000	2021 €'000
<b>Payables outstanding less than 1 year</b>		
INEOS Chemicals Grangemouth Limited	197.8	208.4
INEOS Commercial Services Limited	1,100.0	1,100.0
INEOS Energy Trading Limited	100.0	100.0
INEOS Industries Holdings Limited	18,600.0	23,000.0
INEOS Insurance Limited	5,000.0	5,000.0
<b>Total amounts owed to related parties</b>	<b>24,997.8</b>	<b>29,408.4</b>

Amounts owed relate to collateral lodgements made to the Company, are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**11 Controlling parties**

As at 31 December 2022 the immediate parent undertaking was INEOS Investment Holdings (Germany) Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2022 was INEOS Limited, a company incorporated in Isle of Man. INEOS Group Holdings S.A. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings SA can be obtained from their registered office at Company Secretary, 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg.

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.

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

**12 Accounting estimates and judgements**

The Company prepares its financial statements in accordance with FRS 101, which requires 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. There is no area within the financial statements that involve a significant degree of judgement or estimation.