

**INEOS European Holdings Limited**

**Annual report and financial statements**

**Registered number 05310700**

**31 December 2022**



## **Contents**

Strategic report	1
Directors' report	3
Independent auditor's report to the members of INEOS European Holdings Limited	6
Profit and Loss Account	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements)	13

## Strategic report for the year ended 31 December 2022

The directors present their Strategic report on the Company for the year ended 31 December 2022.

### Review of business and future developments

During the year, INEOS European Holdings Limited ("the Company") continued to provide treasury services to undertakings within the INEOS Group and hold investments in line with its principal activities.

In August 2022, as part of a rationalisation of the various divisions in the INEOS group, the Company approved for INEOS Management (Shanghai) Company Limited, a subsidiary company, to be placed in administration. In March 2023, the funds in their bank accounts were paid to the Company, refunding the equity and resulting in a gain on disposal of €144,000. In April 2023 their bank accounts were closed and INEOS Management (Shanghai) Company Limited was fully dissolved.

In November 2022, as part of a rationalisation of the various divisions in the INEOS group, an application was made to strike off and dissolve INEOS 2009A Limited, a subsidiary company. As a result, the Company impaired its investment in INEOS 2009A Limited resulting in an exceptional administrative charge of €30,370,000. In February 2023, this company was dissolved with no further financial impact to the Company.

In December 2022, the intercompany loan and associated accrued interest of €409,985,000 that the Company had with INEOS Olefins Belgium N.V, an indirect subsidiary, was transferred to the loan that the Company has with INEOS Olefins Belgium Holdings Limited, a subsidiary of the Company. This had no overall financial impact to the Company.

In December 2022, the Company transferred its investment in INEOS Investment (Jersey) Limited to INEOS Limited, a related party at par value. The resulting related party loan was subsequently transferred from INEOS Limited to INEOS AG in June 2023.

For 2023 and for future years it is the expectation the Company will continue with its principle activities.

In March 2023, INEOS Marketing Support Limited, a subsidiary company was dissolved with no financial impact to the Company.

In April 2023, INEOS Procurement Limited, a subsidiary company was dissolved with no financial impact to the Company.

On 16 May 2023, €417,066,000 of the intra-group loan with INEOS Olefins Belgium Holdings Limited, a subsidiary company, was capitalised in exchange for 1 new share.

In June 2023, the related party loan that the Company had with INEOS Limited was transferred to INEOS AG.

### Results and dividends

The profit for the financial year before taxation was €24,819,000 (2021: €39,713,000). The directors do not propose the payment of a dividend (2021: *Nil*).

### Strategy

The Company holds various investments and operates a centralised cash pooling arrangement with its subsidiaries where the aim is to achieve minimum levels of unutilised cash to allow INEOS Group to manage its overall cash balances effectively.

## Strategic report for the year ended 31 December 2022 (continued)

### Section 172 (1) statement

The directors have the duty 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.

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. 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.

### 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 an honest, respectful and responsible way.

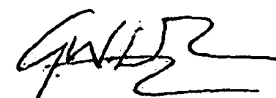
### Key performance indicators ("KPIs")

The directors of the Company manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using performance indicators of the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of INEOS Group Holdings S.A. which includes the Company, are discussed in the Group's annual report which does not form part of this report.

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of INEOS Group Holdings S.A. which include those of the 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.



G W Leask  
Director

28 July 2023

Registered number 05310700

## Directors' report for the year ended 31 December 2022

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

### Principal activities

The Company provides treasury services to a number of other undertakings within the INEOS Group and holds investments engaged in the production and sale of petrochemical products.

### Results and dividends

Results and dividends are discussed in the Strategic report.

### Future developments

Future developments are discussed in the Strategic report.

### Post balance sheet events

In February 2023, INEOS 2009A, a subsidiary company, was dissolved with no further financial impact to the Company.

In March 2023, INEOS Marketing Support Limited, a subsidiary company, was dissolved with no financial impact to the Company.

In March 2023, the funds in the bank accounts of INEOS Management (Shanghai) Company Limited, a subsidiary company, were paid to the Company, refunding the equity and resulting in a gain on disposal of €144,000. In April 2023 their bank accounts were closed and INEOS Management (Shanghai) Company Limited was fully dissolved.

In April 2023, INEOS Procurement Limited, a subsidiary company was dissolved with no financial impact to the Company.

On 16 May 2023, €417,066,000 of the intra-group loan with INEOS Olefins Belgium Holdings Limited, a subsidiary company, was capitalised in exchange for 1 new share.

In June 2023, the related party loan that the Company had with INEOS Limited was transferred to INEOS AG.

### 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.

## Directors' report for the year ended 31 December 2022 (continued)

### Going concern

The directors have considered the Company's projected future cash flows and working capital requirements for a period of at least 12 months from signing of these financial statements. As at 31 December 2022, the Company had net current liabilities of €1,812,879,000 (2021: 1,599,343,000) and net assets of €414,509,000 (2021: €368,826,000). The Company held cash of €10,852,000 (2021: €180,757,000) and loans and borrowings of €2,297,452,000 (2021: €1,989,402,000). The profit for the year was €45,683,000 (2021: loss of €2,716,000). 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 the parent, INEOS Holdings Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parent's 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. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

### Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of 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 management of the business and execution of the Company's strategy are subject to a number of risks. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Group Holdings S.A..

### Directors

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

J F Ginns

G W Leask

### Streamlined Energy and Carbon Reporting ("SECR")

The Company is non-trading, does not have any employees nor any premises so is not providing any disclosures as it is able to obtain an exemption due to consuming less than 40,000KWh of energy.

### Health & safety

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

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

## Directors' report for the year ended 31 December 2022 (continued)

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic report and the Directors' 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), comprising 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.

### Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

### Independent auditor

During the year Deloitte LLP were re-appointed as auditor of the Company 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 re-appointed in the absence of an Annual General Meeting.

Approved and signed on behalf of the Board.



G W Leask  
Director  
28 July 2023  
Registered number 05310700

## **Independent auditor's report to the members of INEOS European Holdings Limited**

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

#### **Opinion**

In our opinion the financial statements of INEOS European Holdings 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; and
- the related notes 1 to 18.

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.



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

### **Report on the audit of the financial statements** *(continued)*

#### **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.

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.

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

### **Report on the audit of the financial statements** *(continued)*

#### **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 frameworks 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, Money Laundering regulations, Health and Safety at work legislation, Data Protection Act, Tax legislation and Bribery Act; 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.

We discussed among the audit engagement team including relevant internal specialists such as IT 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; assessing 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.

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

### **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**

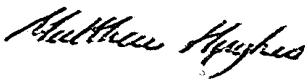
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

#### **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.



**Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)**  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom  
28 July 2023

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

	Note	2022 €000	2021 €000
Administrative expenses		(348)	(333)
Exceptional administrative expenses	2	(30,370)	-
Total administrative expenses		(30,718)	(333)
<b>Operating loss</b>	3	(30,718)	(333)
Income from other fixed asset investments	5	30,781	574
Interest receivable and similar income	6	77,994	63,408
Interest payable and similar expenses	7	(53,238)	(23,936)
<b>Profit before taxation</b>		24,819	39,713
Tax on profit	8	20,864	(42,429)
<b>Profit/(loss) for the financial year</b>		45,683	(2,716)

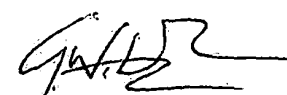
All activities of the Company relate to continuing operations.

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 2022

	Note	2022 €000	2021 €000
<b>Fixed assets</b>			
Investments	9	2,396,511	2,134,948
		<u>2,396,511</u>	<u>2,134,948</u>
<b>Current assets</b>			
Debtors	10	304,629	42,548
Cash at bank and in hand		10,852	180,757
		<u>315,481</u>	<u>223,305</u>
<b>Creditors: amounts falling due within one year</b>	11	(2,128,360)	(1,822,648)
		<u>(1,812,879)</u>	<u>(1,599,343)</u>
<b>Net current liabilities</b>			
		<u>583,632</u>	<u>535,605</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	12	(169,123)	(166,779)
		<u>414,509</u>	<u>368,826</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	13	25	25
Profit and loss account		414,484	368,801
		<u>414,509</u>	<u>368,826</u>
<b>Total equity</b>			
		<u>414,509</u>	<u>368,826</u>

These financial statements on pages 10 to 24 were approved by the board of directors on 28 July 2023 and were signed on its behalf by:

  
G W Leask  
Director  
Registered number 05310700

## Statement of Changes in Equity

for the year ended 31 December 2022

	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2021	25	371,517	371,542
<b>Total comprehensive expense for the year, comprising:</b>			
Loss for the financial year	-	(2,716)	(2,716)
<b>Balance at 31 December 2021</b>	<b>25</b>	<b>368,801</b>	<b>368,826</b>

	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2022	25	368,801	368,826
<b>Total comprehensive income for the year, comprising:</b>			
Profit for the financial year	-	45,683	45,683
<b>Balance at 31 December 2022</b>	<b>25</b>	<b>414,484</b>	<b>414,509</b>

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements)

### 1 Accounting policies

INEOS European Holdings Limited (the "Company") is a private limited company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 UK, 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.

The financial statements are expressed in euros as the Company primarily generate income, incur expenditure and have the majority of their assets and liabilities denominated in euros. The exchange rate as at 31 December 2022 was €1.13007/£1 (2021: €1.19104/£1).

INEOS Group Holdings S.A. is the parent undertaking that includes the Company in its consolidated financial statements. INEOS Group Holdings S.A. is a company incorporated in Luxembourg. The consolidated financial statements of INEOS Group Holdings S.A. are prepared in accordance with International Financial Reporting Standards and can be obtained from the Company Secretary at the registered office, 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg.

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 S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*;
- Certain disclosures required by IFRS 15 *Revenue from Contracts with Customers*; and
- Certain disclosures required by IFRS 16 *Leases* in respect of leases for which the Company is a lessee.

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

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 1 Accounting policies (continued)

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 17.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through other comprehensive income or fair value through profit and loss.

#### 1.2 Going concern

The directors have considered the Company's projected future cash flows and working capital requirements for a period of at least 12 months from signing of these financial statements. As at 31 December 2022, the Company had net current liabilities of €1,812,879,000 (2021: 1,599,343,000) and net assets of €414,509,000 (2021: €368,826,000). The Company held cash of €10,852,000 (2021: €180,757,000) and loans and borrowings of €2,297,452,000 (2021: €1,989,402,000). The profit for the year was €45,683,000 (2021: loss of €2,716,000). 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 the parent, INEOS Holdings Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parent's 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. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency 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 plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade debtors satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss.

##### 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.

##### Investments in debt and equity securities

Investments are stated in the balance sheet at cost less any provisions for impairment.



## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 1 Accounting policies (continued)

#### 1.4 Non-derivative financial instruments (continued)

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

##### *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 subsequent 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 Impairment of financial assets

##### *Trade and other debtors*

The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade debtors and contract assets. This approach requires the Company to recognise the lifetime expected loss provision for all trade debtors taking in consideration historical as well as forward-looking information.

Financial assets which are considered low risk are not provided for impairment by the Company.

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

#### 1.8 Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

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

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

##### *Calculation of recoverable amount*

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

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

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 1 Accounting policies (continued)

#### 1.8 Impairment of non-financial assets excluding inventories and deferred tax assets (continued)

##### *Reversals of impairment*

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

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

#### 1.9 Interest receivable and interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.10 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 profit 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.

#### 1.11 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.

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 2 Exceptional administrative expenses

In 2022, as part of a rationalisation of the various divisions in the INEOS group, an application was made to strike off and dissolve INEOS 2009A Limited, a subsidiary company. As a result, the Company impaired its investment in INEOS 2009A Limited which was recognised in exceptional administrative expenses.

### 3 Operating loss

*Auditor's remuneration:*

	2022 €000	2021 €000
Audit of these financial statements	28	21

### 4 Directors and employees

The Company had no employees during the year (2021: none). None of the directors received any fees or remuneration in respect of their services as a director of the Company during the financial year (2021: none). The directors are remunerated for their qualifying services by another group company for contributions to the group as a whole and not possible to apportion this to the Company.

### 5 Income from other fixed asset investments

	2022 €000	2021 €000
Dividend income from third parties	216	197
Dividend income from group undertakings	30,565	377
Total income from other fixed asset investments	30,781	574

### 6 Interest receivable and similar income

	2022 €000	2021 €000
Interest income on financial assets measured at amortised cost	77,994	63,408
Total interest receivable and similar income	77,994	63,408

Interest receivable and similar income includes interest receivable from group undertakings of €76,350,000 (2021: €63,319,000) and interest receivable from related parties of €604,000 (2021: *Nil*).

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 7 Interest payable and similar expenses

	2022 €000	2021 €000
Interest expense on financial liabilities measured at amortised cost	26,298	7,089
Net foreign exchange loss	26,940	16,847
Total interest payable and similar expenses	53,238	23,936

Interest payable and similar expenses includes interest payable to group undertakings of €26,076,000 (2021: €6,912,000).

### 8 Tax on profit

#### Recognised in the profit and loss account

	2022 €000	2021 €000
<i>UK corporation tax</i>		
Tax on profit for year	4,637	7,436
Adjustments in respect of prior periods	(25,544)	34,966
Total	(20,907)	42,402
<i>Foreign Tax</i>		
Current tax charge on profit for year	43	27
Tax on profit	(20,864)	42,429

#### Reconciliation of effective tax rate

	2022 €000	2021 €000
Tax on profit	(20,864)	42,429
Profit before taxation	24,819	39,713
Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	4,716	7,545
Effect of tax rates in foreign jurisdictions	43	27
Non-deductible expenses / Tax exempt revenues	(79)	(109)
Adjustments in respect of prior periods	(25,544)	34,966
Total tax (credit)/charge	(20,864)	42,429

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxed in the United Kingdom at 31 December 2022 are measured at 25%.

**Notes to the financial statements for the year ended 31 December 2022**  
(forming part of the financial statements) (continued)

**9 Investments**

	Shares in group undertakings	Other	Loans to group undertakings	Loans to related parties	Total
	€000	€000	€000	€000	€000
<b>Cost</b>					
Balance at 1 January 2022	216,553	423,685	1,540,766	-	2,181,004
Additions	-	-	471,459	-	471,459
Transfers	-	(420,000)	-	420,000	-
Repayments	-	-	(169,720)	-	(169,720)
Exchange	-	-	-	(9,806)	(9,806)
<b>Balance at 31 December 2022</b>	<b>216,553</b>	<b>3,685</b>	<b>1,842,505</b>	<b>410,194</b>	<b>2,472,937</b>
<b>Provisions</b>					
Balance at 1 January 2022	(46,056)	-	-	-	(46,056)
Impairment charge	(30,370)	-	-	-	(30,370)
<b>Balance at 31 December 2022</b>	<b>(76,426)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,426)</b>
<b>Net book value</b>					
At 31 December 2021	170,497	423,685	1,540,766	-	2,134,948
<b>At 31 December 2022</b>	<b>140,127</b>	<b>3,685</b>	<b>1,842,505</b>	<b>410,194</b>	<b>2,396,511</b>

The investment in INEOS Investment (Jersey) Limited reported under Other investments was transferred to INEOS Limited, a related party resulting in a related party loan. This has been reported as transfers in the table above.

The Company has the following investments:

Name	Address of the registered office	Class of shares held	Ownership	
			2022	2021
INEOS 2009A Limited <sup>1,5</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS 2009B <sup>5</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Group Life Assurance Trustee Limited <sup>1</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%

**Notes to the financial statements for the year ended 31 December 2022**  
(forming part of the financial statements) (continued)

**9 Investments (continued)**

Name	Address of the registered office	Class of shares held	Ownership	
			2022	2021
INEOS Management (Shanghai) Company Limited <sup>1,4</sup>	Unit 803, Building B, CCIG International Plaza, 333 Cao Xi North Road, Shanghai, 200030, China	Registered Capital	100%	100%
INEOS Manufacturing Belgium NV <sup>2</sup>	Scheldelaan 482, B-2040 Antwerpen, Belgium	Ordinary	100%	100%
INEOS Marketing Support Limited <sup>1,3,7</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Nitriles (UK) Limited <sup>1</sup>	PO Box 62, Seal Sands, Middlesbrough, Cleveland, TS2 1TX	Ordinary	100%	100%
INEOS Nitriles Limited <sup>1</sup>	PO Box 62, Seal Sands, Middlesbrough, Cleveland, TS2 1TX	Ordinary	100%	100%
INEOS Nominee Limited <sup>1,3</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Procurement Limited <sup>1,3,8</sup>	Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE	Ordinary	100%	100%
INEOS Sales Belgium S.A. <sup>2</sup>	Ransbeekstraat 310, B-1120 Needer-over-Heembeek, Belgium	Ordinary	100%	100%
INEOS Sales Italia S.r.l. <sup>1</sup>	Via Piave, 6, 87013, Rosignano, Solvay (L.I.), Italy	Ordinary	100%	100%
INEOS Sales (UK) Limited <sup>1</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Services Belgium S.A. <sup>2</sup>	Ransbeekstraat 310, B-1120 Needer-over-Heembeek, Belgium	Ordinary	100%	100%
INEOS Trading (Shanghai) Company Limited <sup>1</sup>	Unit 803, Building B, CCIG International Plaza, 333 Cao Xi North Road, Shanghai, 200030, China	Ordinary	100%	100%
INEOS Feluy S.A.	Parc Industriel de Feluy Nord, Zone C, B-7181 Feluy, Belgium	Ordinary	100%	100%

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 9 Investments (continued)

Name	Address of the registered office	Class of shares held	Ownership	
			2022	2021
INEOS Investments (Jersey) Limited <sup>1,6</sup>	44 Esplanade, St Helier, Jersey, JE4 9WG	Ordinary	0%	100%
INEOS Technologies Italia S.r.l.	Via dell'Elettricità, 39, 30175, Marghera, Venezia, Italy	Ordinary	100%	100%
INEOS Olefins Belgium NV	Scheldelaan 482, B-2040, Antwerpen, Belgium	Ordinary	100%	100%
INEOS Olefins Belgium Holdings Limited <sup>1</sup>	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%

- 1 Held directly by the Company.
- 2 Held directly by the Company except for 1 share held by INEOS Sales (UK) Limited.
- 3 In July 2021, these companies were placed into voluntary liquidation.
- 4 In August 2022, INEOS Management (Shanghai) Company Limited was placed into liquidation. In December 2022, INEOS Management (Shanghai) Company Limited was dissolved. In April 2023, the bank accounts for this company were closed and equity was refunded.
- 5 In November 2022, an application was made to strike off and dissolve these companies. In February 2023, these companies were dissolved.
- 6 In December 2022, the investment in INEOS Investment (Jersey) Limited was transferred to INEOS Limited, a related party. The investment in INEOS Investments (Jersey) Limited was in non-voting ordinary shares.
- 7 In March 2023, this company was dissolved.
- 8 In April 2023, this company was dissolved.

### 10 Debtors

	2022 €000	2021 €000
Amounts owed by group undertakings	304,481	42,547
Prepayments	145	-
Taxation and social security	3	1
	<b>304,629</b>	<b>42,548</b>
Due within one year	304,629	42,548
Due after more than one year	-	-

Amounts owed by group undertakings attract interest at commercial rates that are either subject to standard trading terms or are repayable on demand.

During the year, the Company has not experienced a significant deterioration in the quality of debtor balances due to the current economic conditions.

## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 11 Creditors: amounts falling due within one year

	2022 €000	2021 €000
Amounts owed to group undertakings	2,128,334	1,822,627
Accruals and deferred income	26	21
	<u>2,128,360</u>	<u>1,822,648</u>

Amounts owed to group undertakings due within one year are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

### 12 Creditors: amounts falling due after more than one year

	2022 €000	2021 €000
Amounts owed to group undertakings	<u>169,123</u>	<u>166,779</u>

Amounts owed to group undertakings due after more than one year are unsecured, attract interest at commercial rates and are repayable in 2 to 5 years.

### 13 Called up share capital

	Ordinary shares 2022	
On issue at 1 January and 31 December 2022 – fully paid	2,144,111,032	
	<hr/>	
	2022	2021
	€000	€000
<i>Allotted, called up and fully paid</i>		
2,144,111,032 (2021:2,144,111,032) ordinary shares of £0.00001 each	25	25

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.

As the reporting currency of the Company is the euro the share capital has been converted to euros at the effective rate of exchange ruling at the date of issuance.

#### Dividends

A dividend has not been paid or declared in the year (2021: £nil).



## Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

### 14 Contingent liabilities

The Company is party to a Senior Secured Term Loans agreement dated 27 April 2012 (as amended). The total outstanding indebtedness under the Senior Secured Term Loans agreement at 31 December 2022 was €5,424.7 million (2021: €4,851.1 million). The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company.

The Company is party to the Senior Secured Notes due 2025 Indenture dated 3 November 2017, the Senior Secured Notes due May 2026 Indenture dated 24 April 2019 and the Senior Secured Notes due March 2026 Indenture dated 29 October 2020. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2022 was €1,645.0 million (2021: €1,645.0 million). The Company is a guarantor under the Senior Secured Notes Indentures. These obligations are secured by fixed and floating charges over the assets of the Company.

In February 2023, new Senior Secured Term Loans and new Senior Secured Notes due 2028 were issued by the Group. The Senior Secured Term Loans were denominated in euros (€700 million) and US dollars (\$1.2 billion). The new Senior Secured Notes due 2028 were denominated in euros (€400 million) and US dollars (\$425 million). The proceeds of this refinancing were used to fully redeem the euro and US dollar denominated Senior Secured Term Loans maturing on 31 March 2024 as well as increasing the liquidity of the Group. The Company is a guarantor under the new Senior Secured Term Loans and the new Senior Secured Notes due 2028. These obligations are secured by fixed and floating charges over the assets of the Company.

### 15 Related parties

Related parties comprise of entities controlled by the shareholders of INEOS Limited, the ultimate parent of INEOS European Holdings Limited.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow subsidiaries under common ownership. During the year the Company has entered into the following transactions outside of this exemption.

#### Outstanding balances

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

	Amounts owed by related parties		Amounts owed to related parties	
	2022	2021	2022	2021
	€000	€000	€000	€000
INEOS Limited	410,194	-	-	-
	<u>410,194</u>	<u>-</u>	<u>-</u>	<u>-</u>

None of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at 31 December 2022 (2021: *Nil*).

Included within investments is a loan of €410,194,000 (2021: *Nil*) to INEOS Limited, a related party. The loan is unsecured and has interest applied at 5.75%. See Note 6 for further details of interest charges.

## **Notes to the financial statements for the year ended 31 December 2022** (forming part of the financial statements) *(continued)*

### **16 Controlling parties**

The immediate parent undertaking is INEOS Jersey Limited, a company incorporated in Jersey.

The ultimate parent company at 31 December 2022 was INEOS Limited, a company incorporated in the Isle of Man.

INEOS Group Holdings S.A. is the parent undertaking of the smallest and largest group undertakings to consolidate these financial statements. The consolidated financial statements of INEOS Group Holdings S.A. are prepared in accordance with International Financial Reporting Standards and can be obtained from the Company Secretary at the registered office, 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 undertakings INEOS Limited.

### **17 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.

### **18 Subsequent events**

In February 2023, INEOS 2009A, a subsidiary company, was dissolved with no further financial impact to the Company.

In March 2023, INEOS Marketing Support Limited, a subsidiary company, was dissolved with no financial impact to the Company.

In March 2023, the funds in the bank accounts of INEOS Management (Shanghai) Company Limited, a subsidiary company, were paid to the Company, refunding the equity and resulting in a gain on disposal of €144,000. In April 2023 their bank accounts were closed and INEOS Management (Shanghai) Company Limited was fully dissolved.

In April 2023, INEOS Procurement Limited, a subsidiary company was dissolved with no financial impact to the Company.

On 16 May 2023, €417,066,000 of the intra-group loan with INEOS Olefins Belgium Holdings Limited, a subsidiary company, was capitalised in exchange for 1 new share.

In June 2023, the related party loan that the Company had with INEOS Limited was transferred to INEOS AG.