

**INEOS TECHNOLOGIES (VINYLS) LIMITED**

**Annual report and financial statements**

**Registered number 07085219**

**31 December 2021**



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## Strategic report for the year ended 31 December 2021

The directors present their strategic report of INEOS Technologies (Vinyls) Limited (the "Company") for the year ended 31 December 2021.

### Principal activities

The Company sells licenses for PVC and VCM technology and also provides specialist Research and Development expertise.

### Review of the business

2021 witnessed a continuation of the rationalisation of the company that began in 2019, with the Company's main aim to continue to support existing contracts whilst focusing on new business opportunities within the wider INEOS group. The result of this transitional phase has led to decreased revenues and an operating and a pre-tax loss however, Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) has stabilised and started to increase with costs being brought into line with the new business model. Revenue for the year was €0.9 million (2020: €1.3 million) and EBITDA was €0.2 million (2020: €0.1 million). A reconciliation of operating loss to EBITDA can be found in note 3 to the financial statements.

In addition to the new strategy the Company retains a sharp focus on health and safety performance and fixed costs, enabling the Company to manage through this period of transition in order to take advantage of future opportunities as they arise.

No dividend payment was made during the year (2020: €nil).

### 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 affecting the company are set out below:

- International operations and currency fluctuations – the Company is exposed to currency fluctuation risks as well as to economic downturns and local business risks in several different countries that could adversely affect its profitability.
- Competition – significant competition in the Company's industries, whether through efforts of new and current competitors or through consolidation of existing customers, may adversely affect its competitive position, revenue and overall operations.
- Outbreaks of disease – the outbreak of contagious diseases may have a negative impact on the Company's business and performance. During the course of 2021 and into 2022, the Company has managed the outbreak of the COVID-19 coronavirus by implementing various measures to ensure the safety of employees and ongoing operations.
- Cyber security risks – a cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.
- Regulation – the Company is highly regulated and may incur substantial obligations and liabilities arising from health, safety, security and environmental ("HSSE") laws, regulations and permits applicable to our operations.
- Employees – the success of the Company depends on the continued service of certain key personnel and on good relations with our workforce as any significant disruption could adversely affect the Company.

### Key performance indicators ("KPIs")

The Company uses a number of financial and non-financial key performance indicators ("KPIs") to measure performance, which are monitored against budget and the prior year.

The main financial KPI for the business is earnings before interest, taxation, depreciation and amortisation ("EBITDA"). EBITDA for the Company for the year ending 31 December 2021 was €0.2 million (2020: €0.1 million). The Company also closely monitors fixed costs against budget and prior year.

The Company uses a number of other non-financial key performance indicators to measure performance including health, safety and environmental ("SHE") metrics such as Occupational Safety and Health Administration ("OSHA") incident and injury rates to measure the safe working of employees and contractors. Other KPIs include monitoring the reliability of operating assets and working capital ratios of the Company.

## Strategic report for the year ended 31 December 2021 (continued)

### Future developments

Following the completion of the Company's rationalisation programme the directors expect the Company to return to profitability within the next one to two years, focusing on projects internal to the wider INEOS Group. In the meantime, the Company will continue to focus on those areas which can be controlled including performance on health and safety and continued reductions to the fixed cost base. Additionally the Company seeks to keep a keen focus on controlling working capital.

Approved by the board and signed on its behalf



D J Horrocks  
Director  
30 September 2022

## Directors' report for the year ended 31 December 2021

The directors present their report together with the financial statements and auditor's report of INEOS Technologies (Vinyls) Limited ("the Company") for the year ended 31 December 2021.

### Results for the year and dividends

The results of the Company are set out in the income statement which shows a loss before taxation for the year of €134,000 (2020: €327,000). The Directors do not recommend the payment of a dividend (2020: €nil).

### Covid-19

The Company continues 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 assets.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Company's assets have continued to operate fully. Protecting employees and ensuring that they remain healthy has been the first priority of the Company. All assets have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

### Going concern

The directors have considered the Company's projected future cash flows and working capital requirements. As at 31 December 2021, the company had net current assets of €3.0 million (2020: €3.1 million) and net assets of €4.5 million (2020: €4.1 million). The company held cash of €0.4 million (2020: €0.6 million) and net loans and borrowings of €0.4 million (2020: €0.1 million). The profit for the year was €0.2 million (2020: €nil). The directors have received confirmation that 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 going concern assessment of INEOS Holdings Limited 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.

### Future developments

An indication of the likely future developments of the business is included in the Strategic Report.

### Post balance sheet events

The Company does not have operations in Belarus, Russia or Ukraine. The Company is not 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.

### Donations

The Company made no political contributions (2020: €nil).

### Financial risks

The Company's operations expose it to a variety of finance risks that include the effects of currency fluctuation risk, liquidity risk, credit risk and interest rate risk. The Company is able to minimise these risks through its distribution and licensing agreement with INEOS Europe AG.

### Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A Moorcroft  
L M G Castin  
D J Horrocks (appointed 1 March 2021)  
N M Bouckley (appointment on 23 July 2021)  
P M Daniels (appointment on 4 January 2022)  
G Tuft (resigned 1 March 2021)  
J D Taylorson (resigned 4 January 2022)  
M J Maher (resigned 1 March 2021)  
F Rourke (resigned 23 July 2021)

## Directors' report for the year ended 31 December 2021 (continued)

### Directors' indemnities

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertaking has maintained cover for its directors and officers under a directors' and officers' liability insurance policy as permitted by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### Research and development

Research and development activity is carried out by the Company as part of the strategic development programme.

### Employees

The Company places considerable importance on communication with employees. This is to ensure that employees at all levels of the organisation are kept aware of key business developments and, in particular, financial performance so as to focus attention on key performance metrics. Town hall sessions, virtual in 2021 and in future at each site, are held at various points in the year, hosted by members of the Executive Committee, regional leadership teams and site management. Business news items are also communicated in local language to the organisation either via cascade or direct to individuals via email, Bulletin Boards and Intranet facilities. Work groups in the manufacturing areas have daily "toolbox talks" that cover SHE, critical operational items for the day and business developments. The Company undertakes employee surveys on a regular basis and there are action plans in place to address issues arising. INEOS is committed to an environment where open, honest communications are the expectation, not the exception. There is encouragement to discuss issues with line managers or other managers. In addition, there is an "INEOS Speak UP!" service for those employees wishing to report more serious unethical or improper behaviours. The Company has regard to employees' interests and take employee views into account when making decisions.

The Company operates in full accordance with prevailing employment legislation including information and consultation with employees and their representatives on matters affecting their interests. Outside of any necessary formal consultation process, there are regular briefings between the Company and the Trade Union bodies.

The Company facilitates a number of schemes designed to encourage employees to deliver key business targets. This includes a discretionary Short Term Incentive Plan and a Long Term Incentive Plan, both of which are designed to focus attention on key areas of performance such as SHE, EBITDA, working capital and fixed costs.

It is the Company's practice to give full and fair consideration to applications for employment received from disabled persons, subject to the Company's requirements and to the qualifications, ability and aptitude of the individual in each case. In the event of staff becoming disabled, every effort is made to ensure their continued employment with the Company and to provide suitable adjustments to the workplace where appropriate.

The Company continually strives to meet, and where possible, exceed all relevant legal requirements applying to safety, health and the environment. It is committed to continuous improvement in all aspects of its operations. Through its Safety, Health, Environment Quality ("SHEQ") Policy, the Company aims to be amongst the chemical industry leaders in health, safety, environmental protection and customer satisfaction, ensuring that products meet society's increasing environmental requirements. Specifically the Company works to two guiding principles. The first being to protect the health and safety of its employees; the communities in which it operates. Secondly, the Company seeks to minimise the effects on the environment from its operations.

The Company manages Safety, Health and the Environment ("SHE") as an integral part of its activities through a formal management system that sets clear SHE standards/targets and monitors performance against them. It requires all members of staff (and others who work on its behalf) to adhere to the standard in the SHE Management System and to exercise personal responsibility to prevent harm to themselves, others and the environment. Comprehensive SHE information and training is provided to all employees, with SHE objectives set for every individual each year through the performance appraisal process. SHE targets also feature in the Company's discretionary Business Bonus Scheme. Appropriate SHE information and training is also provided to others who work for the Company, handle its products or operate its technologies. The Company also participates in industry wide responsible care and sustainable development activities.

### Health and safety

The Company's 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 it operates. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated sites.

The Company's operations are currently in material compliance with all HSSE laws, regulations and permits. The Company actively addresses compliance issues in connection with its operations and properties and believe that it has systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on the Company.

## Directors' report for the year ended 31 December 2021 (continued)

### Sustainability

Following the Paris Climate Agreement of 2015, many nation states have set the goal to achieve a Net Zero Emission Economy by 2050, and are adopting regulations and legislation to support this. Further information can be found within the consolidated financial statements of INEOS Group Holdings SA which are available to the public and may be obtained from the Company Secretary at 62 Avenue de la Liberte L-1930, Luxembourg, Grand-Duchy of Luxembourg.

### 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

### Statement of disclosure of information to auditors

The Directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Independent auditors

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

### Registered address

INEOS Technologies (Vinyls) Limited  
Banks Lane Office  
Banks Lane  
PO Box 9  
Runcom  
Cheshire  
WA7 4JE  
United Kingdom

Approved by the board and signed on its behalf



D J Horrocks  
Director  
30 September 2021

## Independent auditor's report to the members of INEOS Technologies (Vinyls) Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of INEOS Technologies (Vinyls) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 income statement;
- the statement of comprehensive income;
- 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.

#### 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.



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

### **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 about their own identification and assessment of the risks of irregularities.

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, pensions legislation, 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. These included environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and pensions, 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.

## **Independent auditor's report to the members of INEOS Technologies (Vinyls) 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  
30 September 2022

## Income statement for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Revenue	2	895	1,329
Cost of sales		(361)	(1,066)
<b>Gross profit</b>		<b>534</b>	<b>263</b>
Distribution costs		(499)	(384)
Administrative expenses		(265)	(164)
<b>Operating loss</b>	3	<b>(230)</b>	<b>(285)</b>
Net interest receivable/(payable) and similar income/(expenses)	6	96	(42)
<b>Loss before taxation</b>		<b>(134)</b>	<b>(327)</b>
Tax	7	342	326
<b>Profit/(loss) for the financial year</b>		<b>208</b>	<b>(1)</b>

## Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 €000	2020 €000
<b>Profit/(loss) for the financial year</b>		<b>208</b>	<b>(1)</b>
<b>Other comprehensive income/(expense)</b>			
Remeasurements of defined benefit liability	14	225	244
Movement in deferred tax relating to pension asset	10	(66)	(46)
<b>Other comprehensive income for the year</b>		<b>159</b>	<b>198</b>
<b>Total comprehensive income for the year</b>		<b>367</b>	<b>197</b>

## Balance sheet as at 31 December 2021

	Note	2021 €000	2020 €000
<b>Non-current assets</b>			
Property, plant and equipment	8	904	831
Employee benefits	14	952	330
		<b>1,856</b>	<b>1,161</b>
<b>Current assets</b>			
Trade and other receivables: amounts falling due within one year	9	3,431	2,970
Cash at bank and in hand		404	631
		<b>3,835</b>	<b>3,601</b>
<b>Trade and other payables: amounts falling due within one year</b>	11	<b>(796)</b>	<b>(539)</b>
<b>Net current assets</b>		<b>3,039</b>	<b>3,062</b>
<b>Total assets less current liabilities</b>		<b>4,895</b>	<b>4,223</b>
Trade and other payables: amounts falling due after more than one year	12	(198)	(46)
Deferred tax	10	(216)	(63)
<b>Net assets</b>		<b>4,481</b>	<b>4,114</b>
<b>Capital and reserves</b>			
Share capital	15	-	-
Capital contribution reserve	15	55	55
Retained earnings		4,426	4,059
<b>Total equity</b>		<b>4,481</b>	<b>4,114</b>

The financial statements and accompanying notes on pages 10 to 24 were approved by the Board of Directors on 30 September 2022 and are signed on its behalf by:



D J Horrocks  
Director

INEOS Technologies (Vinyls) Limited

Registered number: 07085219

**Statement of changes in equity for the year ended 31 December 2021**

	Share capital €000	Capital contribution reserve €000	Retained earnings €000	Total equity €000
Balance at 1 January 2020	-	-	3,862	3,862
Loss for the financial year	-	-	(1)	(1)
<b>Other comprehensive income/(expense):</b>				
Actuarial gain recognised in the pension scheme (Note 14)	-	-	244	244
Movement in deferred tax relating to pension scheme asset (Note 10)	-	-	(46)	(46)
Total comprehensive income for the year	-	-	197	197
<b>Transactions recorded directly in equity</b>				
Capital contribution	-	55	-	55
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>55</b>	<b>4,059</b>	<b>4,114</b>
Profit for the financial year	-	-	208	208
<b>Other comprehensive income/(expense):</b>				
Actuarial gain recognised in the pension scheme (Note 14)	-	-	225	225
Movement in deferred tax relating to pension scheme asset (Note 10)	-	-	(66)	(66)
Total comprehensive income for the year	-	-	159	159
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>55</b>	<b>4,426</b>	<b>4,481</b>

## Notes to the financial statements

### 1 Accounting policies

INEOS Technologies (Vinyls) Limited (the "Company") is a private company, incorporated in the United Kingdom, registered in England and Wales and limited by shares. The address of the Company's registered office is Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101 on a going concern basis. The directors have considered the Company's projected future cash flows and working capital requirements. As at 31 December 2021, the company had net current assets of €3.0 million (2020: €3.1 million) and net assets of €4.5 million (2020: €4.1 million). The company held cash of €0.4 million (2020: €0.6 million) and net loans and borrowings of €0.4 million (2020: €0.1 million). The profit for the year was €0.2 million (2020: €nil). The directors have received confirmation that 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 going concern assessment of INEOS Holdings Limited 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.

The functional and presentational currency of these financial statements is Euros. All amounts in the financial statements have been rounded to the nearest thousand.

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.

INEOS Group Holdings SA, is the head of the smallest and largest group to consolidate the Company's results and includes the Company's results in its consolidated financial statements. The consolidated financial statements of INEOS Group Holdings SA are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from the Company Secretary, 62 Avenue de la Liberte 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:

- Cash flow statement and related notes;
- 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 available under FRS 101 in respect of the following disclosure:

- 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.

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

#### Changes in accounting policies

The Company financial statements have been prepared using consistent accounting policies with those of the previous financial year.

#### Measurement convention

The financial statements are prepared on the historical cost basis, modified to include certain items at fair value as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.1 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 income statement.

#### 1.2 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### Trade and other receivables

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

##### Trade and other payables

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

#### 1.3 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Plant and machinery 5 to 20 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Assets under construction are not depreciated, but are transferred to an appropriate asset category when they are available for use.

#### 1.4 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16 Leases.

##### Company as a lessee

###### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

###### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

## Notes to the financial statements (continued)

### Leases (continued)

#### *Lease liabilities (continued)*

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Company is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

### 1.5 Impairment excluding deferred tax assets

#### *Financial assets (including trade and other receivables)*

The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Company to recognise the lifetime expected loss provision for all trade receivables 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 financial asset measured 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.

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date 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 income statement.

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 dependent of the cash inflows from other assets or groups of assets.

The recoverable amount is the greater of fair values 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.

An impairment loss in respect of goodwill is not reversed.

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.



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.6 Employee benefits

##### Pension costs

The Company participates in a pension scheme providing benefits based on final pensionable pay and the assets of this scheme are held separately from those of the Company. The pension scheme is a multi-employer pension scheme for employees of the Company, INEOS Compounds UK Limited and INOVYN ChlorVinyls Limited. INOVYN ChlorVinyls Limited is the principal employer.

The current service cost of pension provision and any costs of benefits relating to past service are charged against operating profit for the year. A charge equal to the increase in present value of the pension scheme liabilities and a credit equal to the long-term expected return on pension scheme assets at the start of the year are included in 'interest receivable/(payable)' and similar income/(expense)' in the income statement. Actuarial gains and losses are recognised in the statement of comprehensive expense.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus, to the extent that it is considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax, if appropriate.

The pension liabilities and assets of the Company, INEOS Compounds UK Limited and INOVYN ChlorVinyls Limited form one pension plan. In general, a full actuarial valuation of this plan is conducted every three years and as a result in the interim years the IAS 19 pension scheme results need to be split on an approximate basis between the Company, INEOS Compounds UK Limited and INOVYN ChlorVinyls Limited.

The method used to allocate the IAS 19 liabilities, assets and service cost between entities is as follows:

- The 31 December 2021 liabilities have been based on the Section 75 debt liabilities for each entity versus these liabilities for the plan as a whole at 5 April 2019 (the date of the last signed full valuation).
- Approximate allowance has been made for the changes due to special events (that the local actuary is aware of) since 5 April 2019.
- The split of the assets was based on the liability split at 31 December 2021.
- The expected 2022 service costs were based on the ratio of the Company's active payroll versus the total active payroll for the fund, as a whole.
- The approach outlined above is in line with that applied at the end of 2020.

In summary the 31 December 2021 disclosures for the Company are based on roll-forward calculations based on the latest full valuations, allowing for the approximate impact of the special events and updating for changes in assumptions as at 31 December 2021. Although no further membership changes have been allowed for in the calculations, for the purposes of estimating the liabilities for these disclosures, updated total payroll and membership numbers were provided.

The Directors believe that this approach represents a reasonable basis of accounting for the scheme.

The most recent signed valuation for the Company was 5 April 2019. The data from the full actuarial valuation, adjusted for material membership movements since this date, have been used in these financial statements.

The Company also participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

##### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term and long-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 1.7 Revenue

Revenue represents the sales value of goods and services to customers during the year. It excludes VAT and similar based taxes. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The Company applies the five step model for revenue recognition, introduced by IFRS 15 Revenue from Contracts with Customers. This model allows the Company to identify the contract with a customer; to determine the performance obligations in the contract; to establish the transaction price, which is later allocated to the performance obligations in the contract; and to recognise revenue when, or as, the entity satisfies a performance obligation, that is, that the control of the asset is transferred to the customer.

#### 1.8 Expenses

Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.9 Research and development

Expenditure on research and development is written off to the income statement in the year incurred.

#### 1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items 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 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.

## Notes to the financial statements (continued)

### 2 Revenue

The directors consider there to be only one operating segment in the business. In both 2020 and 2021 the Company's revenue originated from the UK and was destined for outside of the UK and the rest of Europe.

### 3 Operating loss

Included in operating loss are the following:

	2021 €000	2020 €000
Depreciation (Note 8):		
Owned assets	215	207
Right of use assets	217	162
Research & development costs	1,221	1,225

Auditor's remuneration for the statutory audit of the Company for the year of €26,826 was payable to Deloitte LLP (2020: €22,913). No non-audit services have been provided to the Company in the year (2020: €nil).

Reconciliation of operating loss to earnings before interest, tax, depreciation and amortisation (EBITDA):

	2021 €000	2020 €000
Operating loss	(230)	(285)
Depreciation and amortisation (Note 8)	432	369
<b>EBITDA</b>	<b>202</b>	<b>84</b>

### 4 Staff numbers and costs

The monthly average number of people employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021 Number	2020 Number
Sales and technical service	3	3
Research & development	13	13
	<b>16</b>	<b>16</b>

The overall costs of these persons charged in arriving at operating profit in the year were as follows:

	2021 €000	2020 €000
Wages and salaries	1,075	1,042
Social security costs	117	131
Contributions to defined contribution plans (note 14)	135	126
Expenses related to defined benefit plans: current service cost (note 14)	23	25
	<b>1,350</b>	<b>1,324</b>

### 5 Directors' remuneration

The directors did not receive any emoluments for their services to the company (2020: €nil), these were borne by other Group companies.

## Notes to the financial statements (continued)

6	Net interest receivable/(payable) and similar income/(expenses)	2021 €000	2020 €000
	Net interest on net defined benefit pension plan asset/liability (note 14)	-	(2)
	Interest payable on right of use leases	(17)	(3)
	Net foreign exchange losses and similar expenses	-	(37)
	<b>Interest payable and similar expenses</b>	<b>(17)</b>	<b>(42)</b>
	Net interest on net defined benefit pension plan asset/liability (note 14)	9	-
	Net foreign exchange gains and similar income	104	-
	<b>Interest receivable and similar income</b>	<b>113</b>	<b>-</b>
	<b>Net interest receivable/(payable) and similar income/(expenses)</b>	<b>96</b>	<b>(42)</b>

## 7 Tax

### Recognised in the income statement

	2021 €000	2020 €000
<b>UK corporation tax</b>		
Current tax on income in the year	(66)	(126)
Adjustments in respect of prior periods	(363)	(248)
<b>Total current tax</b>	<b>(429)</b>	<b>(374)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	50	51
Increase in tax rate	16	-
Adjustments in respect of prior periods	21	(3)
<b>Total deferred tax</b>	<b>87</b>	<b>48</b>
<b>Tax credit</b>	<b>(342)</b>	<b>(326)</b>

### Recognised in other comprehensive income

	2021 €000	2020 €000
<b>Deferred tax</b>		
Remeasurements of defined benefit liability	66	46

### Reconciliation of effective tax rate

	2021 €000	2020 €000
<b>Loss before taxation</b>	<b>(134)</b>	<b>(327)</b>
Loss before taxation multiplied by the standard rate of UK corporation tax of 19% (2020: 19%)	(25)	(62)
Non-deductible expenses	9	(13)
Increase in tax rate	16	-
Adjustments in respect of prior periods	(342)	(251)
<b>Total tax credit</b>	<b>(342)</b>	<b>(326)</b>

### Factors which may affect future tax charges/(credits)

In the 2020 budget it was announced that the corporation tax main rate would remain at 19% for the financial year beginning 1 April 2020, rather than reducing it to 17% from 1 April 2020. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021. On 11 March 2021, the Finance Bill 2021 was announced which increased the rate of Corporation Tax to 25% on profits over £250,000 from April 2023. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as a result the deferred tax balances as at 31 December 2021 continue to be measured at the full 25% rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be to reduce the net deferred tax liability by €51,000.

## Notes to the financial statements (continued)

### 8 Property, plant and equipment

	Plant and Machinery €000	Assets under construction €000	Total €000
<b>Cost</b>			
Balance at 1 January 2020	2,332	9	2,341
Transfers	2	(2)	-
Additions	137	-	137
<b>Balance at 31 December 2020</b>	<b>2,471</b>	<b>7</b>	<b>2,478</b>
Additions	397	-	397
Modification to existing lease	28	-	28
Disposals	(377)	-	(377)
<b>Balance at 31 December 2021</b>	<b>2,519</b>	<b>7</b>	<b>2,526</b>
<b>Accumulated depreciation</b>			
Balance at 1 January 2020	1,278	-	1,278
Depreciation charge for the year	369	-	369
<b>Balance at 31 December 2020</b>	<b>1,647</b>	<b>-</b>	<b>1,647</b>
Depreciation charge for the year	432	-	432
Modification to existing lease	(80)	-	(80)
Disposal of lease	(377)	-	(377)
<b>Balance at 31 December 2021</b>	<b>1,622</b>	<b>-</b>	<b>1,622</b>
<b>Net book value</b>			
<b>At 31 December 2021</b>	<b>897</b>	<b>7</b>	<b>904</b>
<b>At 31 December 2020</b>	<b>824</b>	<b>7</b>	<b>831</b>

#### Property, plant and equipment under construction

No borrowing costs were capitalised during the year (2020: €nil).

Included within the above are right of use assets as follows: -

	Plant and Machinery €000	Total €000
<b>Cost</b>		
At 1 January 2020	377	377
Modification to existing lease	136	136
<b>At 31 December 2020</b>	<b>513</b>	<b>513</b>
Modification to existing lease	28	28
Additions	378	378
Disposal of lease	(377)	(377)
<b>At 31 December 2021</b>	<b>542</b>	<b>542</b>
<b>Accumulated depreciation</b>		
At 1 January 2020	215	215
Charge for the year	162	162
<b>At 31 December 2020</b>	<b>377</b>	<b>377</b>
Modification to existing lease	(80)	(80)
Charge for the year	217	217
Disposal of lease	(377)	(377)
<b>At 31 December 2021</b>	<b>137</b>	<b>137</b>
<b>Net book value</b>		
<b>At 31 December 2021</b>	<b>405</b>	<b>405</b>
<b>At 31 December 2020</b>	<b>137</b>	<b>137</b>

## Notes to the financial statements (continued)

### 9 Trade and other receivables: amounts falling due within one year

	2021 €000	2020 €000
Amounts owed by group undertakings	3,379	2,912
Other receivables	52	58
	<b>3,431</b>	<b>2,970</b>

Amounts owed by group undertakings are unsecured, attract interest at a monthly rate issued by Group, have no fixed date of repayment and are repayable on demand.

### 10 Deferred tax

	Employee benefits €000	Accelerated capital allowances €000	Total €000
At 1 January 2020	40	(9)	31
Charged to the income statement	(57)	9	(48)
Charged to the statement of comprehensive income	(46)	-	(46)
<b>At 31 December 2020</b>	<b>(63)</b>	<b>-</b>	<b>(63)</b>
Charged to the income statement	(109)	22	(87)
Charged to the statement of comprehensive income	(66)	-	(66)
<b>At 31 December 2021</b>	<b>(238)</b>	<b>22</b>	<b>(216)</b>

### 11 Trade and other payables: amounts falling due within one year

	2021 €000	2020 €000
Trade payables	6	2
Amounts owed to group undertakings	189	197
Right of use lease liabilities	245	90
Other payables	195	70
Accruals and deferred income	161	180
	<b>796</b>	<b>539</b>

Amounts owed to group undertakings are unsecured, generate interest payable at a monthly rate issued by Group, have no fixed date of repayment and are repayable on demand.

### 12 Trade and other payables: amounts falling due after more than one year

	2021 €000	2020 €000
Right of use lease liabilities	198	46

## Notes to the financial statements (continued)

### 13 Interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2021 €000	2020 €000
Right of use liabilities – amounts falling due within one year	245	90
Right of use liabilities – amounts falling due after more than one year	198	46
	443	136

#### Right of use lease liabilities

Right of use lease liabilities are payable as follows:

	Minimum lease payments		Interest		Principal	
	2021 €000	2020 €000	2021 €000	2020 €000	2021 €000	2020 €000
Less than one year	258	93	(13)	(3)	245	90
Between one and five years	200	47	(2)	(1)	198	46
	458	140	(15)	(4)	443	136

### 14 Employee benefits

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the years shown.

	2021 €000	2020 €000
Total defined benefit asset	13,179	12,136
Total defined benefit liability	(12,227)	(11,806)
Net defined benefit asset	952	330

#### Movements in net defined benefit asset/(liability)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2021 €000	2020 €000	2021 €000	2020 €000	2021 €000	2020 €000
Balance at 1 January	(11,806)	(11,936)	12,136	11,700	330	(236)
Included in profit and loss						
Current service cost	(23)	(25)	-	-	(23)	(25)
Interest income/(cost)	(192)	(231)	201	229	9	(2)
Effective movement on exchange rate	(889)	664	930	(664)	41	-
	(1,104)	408	1,131	(435)	27	(27)
Included in other comprehensive expense						
Remeasurements:						
Change in demographic assumptions	(153)	33	-	-	(153)	33
Change in financial assumptions	50	(956)	-	-	50	(956)
Experience adjustment	9	(1)	-	-	9	(1)
Return on plan assets	-	-	319	1,168	319	1,168
	(94)	(924)	319	1,168	225	244
Other						
Contributions paid by the employer			370	349	370	349
Benefits paid	777	646	(777)	(646)	-	-
Balance at 31 December	(12,227)	(11,806)	13,179	12,136	952	330

## Notes to the financial statements (continued)

### 14 Employee benefits (continued)

#### Plan assets

	2021 €000	2020 €000
Cash and cash equivalents	156	143
Equity instruments	1,338	1,898
Debt instruments e.g. Government bonds	9,040	7,964
Real estate	152	143
Investment funds	2,493	1,988
<b>Total</b>	<b>13,179</b>	<b>12,136</b>

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are AAA- or AA-rated. All other plan assets are not quoted in an active market.

#### Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2021	2020
Discount rate at 31 December	1.9%	1.6%
Rate of price inflation (RPI)	3.2%	2.8%
Future pension increases	3.0%	2.7%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: male 22.1 years (2020: 21.5 years), female 24.4 years (2020: 23.9 years).
- Future retiree upon reaching 65 (member currently 50): male 23.3 years (2020: 22.7 years), female 25.7 years (2020: 25.2 years).

#### Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting year would have increased as a result of a change in the respective assumptions.

	2021 €000	2020 €000
Discount rate – 1%	2,543	2,455
1 year increase in mortality rates	486	470
Inflation (RPI, CPI) – 0.5%	830	801

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 5 April 2019 and are applied to adjust the defined benefit obligation at the end of the reporting year for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The Company expects to pay €413,000 in contributions to its defined benefit plans in 2022.

#### Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was €135,000 (2020: €126,000).



## Notes to the financial statements (continued)

### 15 Capital and reserves

#### Share capital

	2021	2020
	€	€
<b>Allotted, issued and fully paid share capital</b>		
100 (2020: 100) Ordinary shares of £1 each	110	110

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.

#### Capital contribution reserve

The capital contribution reserve refers to monies received from INEOS Vinyls Limited, a fellow group undertaking.

### 16 Ultimate parent company and ultimate controlling party

The Company's immediate parent undertaking is INEOS Vinyls Limited. The ultimate parent company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The largest group in which the results of the Company are consolidated is that headed by INEOS Group Holdings SA, incorporated in Luxembourg. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Company Secretary, 62 Avenue de la Liberte L-1930, Luxembourg, Grand-Duchy of Luxembourg.

The registered address of INEOS Group Holdings SA is 62 Avenue de la Liberte L-1930, Luxembourg, Grand-Duchy of Luxembourg.

### 17 Accounting estimates and judgements

The Company prepares its financial statements in accordance with the FRS101, which require 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.

#### Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical judgements, apart from those involving estimations, which are presented separately below.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Pension assumptions

The Company is party to a defined benefit pension plan. The plan is now closed to new entrants and frozen to future accrual. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each defined benefit scheme. The costs and year end obligations under the defined benefit scheme are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Inflation rate projections;
- Discount rate for scheme liabilities.

Details of pension assumptions are described in detail in note 14 to the financial statements.

### 18 Post balance sheet events

The Company does not have operations in Belarus, Russia or Ukraine. The Company is not 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.