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# **INEOS Fluor Limited**

**Annual Report and Financial Statements**

**Registered number 04041123**

**31 December 2021**

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## Strategic Report

The directors present their strategic report of INEOS Fluor Limited (the “Company”) for the year ended 31 December 2021.

### Principal activities and business review

Following the disposal of the fluorochemicals business in 2010, the principal activities of the Company consist of managing legacy business transactions.

The results of the Company are set out in the statement of profit and loss which shows a loss before tax of £116,000 (2020: £500,000 profit). The net assets of the Company have increased from £139,079,000 at 31 December 2020 to £139,548,000 at 31 December 2021, primarily as a result of actuarial valuation movements in the Company pension scheme.

### Future developments

The directors expect the Company’s activities going forward to largely consist of the managing of legacy business transactions and recharging of costs to the wider INEOS group companies.

### Principal risks and uncertainties

Due to the simple nature of the Company in acting as a holding company, its principal risks and uncertainties are limited. However, operating within the wider INEOS Group means that the business activities are subject to typical risks associated with chemical manufacture. Chemical manufacture operations mean that the business is exposed to risks from changing market demand, adverse changes to raw material prices and increases in competition. These risks are expected for a chemicals manufacturer and are continually monitored through reference to our financial performance and where appropriate through the use of hedging instruments to secure margin. Operating within the Chemical Industry, our businesses are highly regulated, with Environmental, Health and Safety laws and regulations governing our operations and providing our license to operate.

The Group places compliance with these laws and regulations as the number one priority and has a “best in class” reputation within the industry.

### 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 the Group, which includes 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



A Brown  
Director  
4 July 2022

## **Directors' Report**

The directors present their Annual Report and the audited Financial Statements of the Company for the year ended 31 December 2021.

### **Principal activities**

The principal activities of the Company are the managing of legacy business and managing recharges to and from INEOS group companies.

### **Results and dividends**

See strategic report for a review of the business for 2021. No dividends have been paid or recommended in 2021 (2020: £nil).

### **Political and charitable contributions**

The Company made no political nor charitable contributions during the year (2020: £nil).

### **Future developments**

As noted in the strategic report, the directors expect the Company's activities going forward to largely consist of managing legacy business transactions and managing recharges to and from INEOS group companies.

### **Directors**

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

G Leask

J Dolan

D Smeeton

Y Ali (resigned 30 November 2021)

J Ginns

A Brown

A Hogan

### **COVID-19**

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 activities.

Throughout the pandemic, the Company has continued to operate without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Company.

Whilst there is still uncertainty due to the COVID-19 pandemic the Directors have undertaken a rigorous assessment of the potential impact of COVID-19 on demand for the wider Group's products and services and the impact on margins for the next 12 months.

### **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 £110,395,000 (2020: £110,495,000) and net assets of £139,548,000 (2020: £139,079,000). The company held cash of £128,000 (2020: £52,000) and the loss for the year was £1,160,000 (2020: £27,000 profit). 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 parents going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

## Directors' Report (continued)

### Financial risk management

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

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, and applicable law, including, FRS 101 "Reduced Disclosure Framework"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's 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 provision of s418 of the Companies Act 2006.

### Independent auditor

Deloitte LLP are deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

### Registered office

INEOS Fluor Limited  
Anchor House, 15-19 Britten St, Chelsea,  
London, United Kingdom  
SW3 3TY

Approved and signed on behalf of the board



A Brown  
Director  
4 July 2022

## **Independent Auditors' Report to the Members of INEOS Fluor Limited**

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

#### **Opinion**

In our opinion the financial statements of INEOS Fluor 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 profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

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 Auditors' Report to the Members of INEOS Fluor 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 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, Bribery Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to company's ability to operate or to avoid a material penalty.

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

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating 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 Auditors' Report to the Members of INEOS Fluor 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 and 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.



Suzanne Gallagher FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, United Kingdom

4 July 2022



**Profit and loss account**  
*for the year ended 31 December 2021*

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		<b>£'000</b>	
Administrative expenses		<u>(515)</u>	<u>(479)</u>
<b>Operating loss</b>	2	<b>(515)</b>	<b>(479)</b>
Other interest receivable and similar income	5	<u>399</u>	<u>979</u>
<b>(Loss) / Profit before taxation</b>		<b>(116)</b>	<b>500</b>
Tax on (loss) / profit	6	<u>(1,044)</u>	<u>(473)</u>
<b>(Loss) / Profit for the financial year</b>		<u><b>(1,160)</b></u>	<u><b>27</b></u>

All activities of the company relate to continuing operations.

The notes on pages 12 to 23 are an integral part of these financial statements.

**Statement of Comprehensive Income**  
*for the year ended 31 December 2021*

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		<u>£'000</u>	
<b>(Loss) / Profit for the financial year</b>		<u><b>(1,160)</b></u>	<u><b>27</b></u>
<b>Other comprehensive income/ (expense):</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial gain/(loss) recognised in the pension scheme	14	<b>2,173</b>	(8,010)
Movement in deferred tax relating to pension scheme	10	<u><b>(544)</b></u>	<u>1,522</u>
<b>Other comprehensive income / (expense) for the year</b>		<u><b>1,629</b></u>	<u><b>(6,488)</b></u>
<b>Total comprehensive income / (expense) for the year</b>		<u><u><b>469</b></u></u>	<u><u><b>(6,461)</b></u></u>

The notes on pages 12 to 23 are an integral part of these financial statements.

**Balance Sheet**  
*as at 31 December 2021*

	Note	2021	2020
		£'000	
<b>Fixed assets</b>			
Property, plant and equipment	8	6,685	6,685
Employee benefits	14	27,573	25,000
Deferred tax assets	10	1,913	1,773
		<u>36,171</u>	<u>33,458</u>
<b>Current assets</b>			
Trade and other debtors	9	158,793	159,334
Cash at bank and in hand		128	52
		<u>158,921</u>	<u>159,386</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(48,526)</u>	<u>(48,891)</u>
<b>Net current assets</b>		<u>110,395</u>	<u>110,495</u>
<b>Total assets less current liabilities</b>		<u>146,566</u>	<u>143,953</u>
 <b>Creditors: amounts falling due after more than one year</b>	12	 <u>(7,018)</u>	 <u>(4,874)</u>
<b>Net assets</b>		<u>139,548</u>	<u>139,079</u>
 <b>Capital and reserves</b>			
Called up share capital	15	39,100	39,100
Profit and loss account		100,448	99,979
<b>Total shareholders' funds</b>		<u>139,548</u>	<u>139,079</u>

The notes on pages 12 to 23 are an integral part of these financial statements.

The financial statements on pages 8 to 23 were approved and authorised for issue by the Board of Directors on 4 July 2022 and signed on its behalf by:



**A Brown**  
Director

Company registered number: 04041123

**Statement of Changes in Equity**  
*for the year ended 31 December 2021*

	<b>Called up share capital</b>	<b>Profit and Loss Account £'000</b>	<b>Total shareholders' funds</b>
<b>Balance at 1 January 2020</b>	39,100	106,440	145,540
Profit for the financial year	-	27	27
<b>Other comprehensive income:</b>			
Actuarial (loss) recognised in the pension scheme	-	(8,010)	(8,010)
Movement in deferred tax relating to pension scheme	-	1,522	1,522
Total comprehensive expense for the year	-	(6,461)	(6,461)
<b>Balance at 31 December 2020</b>	<b>39,100</b>	<b>99,979</b>	<b>139,079</b>
Loss for the financial year		(1,160)	(1,160)
<b>Other comprehensive expense:</b>			
Actuarial gain recognised in the pension scheme	-	2,173	2,173
Movement in deferred tax relating to pension scheme	-	(544)	(544)
Total comprehensive income for the year	-	469	469
<b>Balance at 31 December 2021</b>	<b>39,100</b>	<b>100,448</b>	<b>139,548</b>

The notes on pages 12 to 23 are an integral part of these financial statements.

## Notes to the Financial Statements for the year ended 31 December 2021

### 1 Accounting policies

INEOS Fluor Limited (the “Company”) is a private company limited by shares under the Companies Act 2006, incorporated, registered and domiciled in England, UK with a registered office of Anchor House, 15-19 Britten St, Chelsea, London, SW3 3TY, United Kingdom.

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 (“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.

The Company’s parent undertaking, INEOS Group Holdings S.A. includes the Company in its consolidated financial statements which are prepared in accordance with International Financial Reporting. Therefore, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

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:

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

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

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 1 Accounting policies (continued)

#### 1.2 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 £110,395,000 (2020: £110,495,000) and net assets of £139,548,000 (2020: £139,079,000). The company held cash of £128,000 (2020: £52,000) and the loss for the year was £1,160,000 (2020: £27,000 profit). 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 parents going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

#### 1.2 Impact of new standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2021 which have had a material impact on the company.

#### 1.3 Foreign currency

The Company presents its financial statements in British Pounds, which is the functional currency of the Company. Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.4 Derivative financial instruments

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

#### 1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, loans and borrowings, and trade and other payables.

##### *Trade and other debtors*

Trade and other debtors 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 creditors*

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

##### *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.

#### 1.6 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.

## **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

### **1 Accounting policies (continued)**

#### **1.7 Investments**

Investments, including investments in subsidiaries are shown at cost less provision for impairment.

The carrying amounts of investments 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 exceeds its recoverable amount. Impairment losses are recognised in the income statement.

#### **1.8 Property, plant and equipment (PPE)**

PPE is stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of PPE, less their residual values, over their expected useful lives using the straight-line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Freehold land is not depreciated.

PPE are reviewed for impairment when there are indications that the carrying values may not be fully recoverable. Any impairment in the value of tangible fixed assets, calculated by discounting estimated future cash flows, is dealt within the income statement in the year to which the impairment relates. Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### **1.9 Employee benefits**

##### ***Defined benefit plans***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the income statement.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

#### **1.10 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. INEOS Fluor Limited is exposed to environmental liabilities relating to its past operations following the acquisition of the Klea division from ICI, principally in respect of remediation work required on the canal bank, buildings and site infrastructure. Provision for these costs is made when expenditure on remedial work is probable and the cost can be estimated within a range of possible outcomes.

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 1 Accounting policies (continued)

#### 1.11 Interest receivable and Interest payable

Interest payable includes interest payable, and net foreign exchange gains/losses that are recognised in the income statement (see foreign currency accounting policy). Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, 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.

### 2 Operating loss

	2021	2020
	£'000	
Auditor's remuneration – Fees for audit of the financial statements	14	18

The overall audit fee for INEOS Fluor Limited includes the audit fees for INEOS Fluor International Limited of £2,725 (2020: £2,271) and INEOS Fluor Holdings Limited of £2,725 (2020: £2,271).

### 3 Staff numbers and costs

The Company does not have any employees (2020: none). All work related to the Company is carried out by people employed by other INEOS group companies.

### 4 Directors' remuneration

The directors did not receive any emoluments in respect of their services to the Company (2020: £nil). None of the directors have benefits accruing under a defined benefit pension scheme (2020: none). The directors are remunerated for their qualifying services by another Group company for contributions to the group as a whole and it is not possible to apportion this to the Company.

### 5 Other interest receivable and similar income

	2021	2020
	£'000	
Interest receivable on loans with group undertakings	-	270
Net foreign exchange losses	(1)	-
Net interest on defined benefit plan assets	400	709
<b>Total other interest receivable and similar income</b>	<b>399</b>	<b>979</b>



## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 6 Tax on (loss) / profit

Recognised in the income statement	2021	2020
	£'000	
<b>UK Corporation Tax</b>		
Current tax on income for the year	(417)	(477)
Adjustments in respect of prior years	-	(35)
<b>Total current tax credit</b>	(417)	(512)
<b>Deferred Tax (see note 10)</b>		
Origination and reversal of temporary differences	396	572
Impact of change in tax rate	1,065	-
Adjustments in respect of prior years	-	413
<b>Total deferred tax charge</b>	1,461	985
<b>Tax charge on (loss) / profit</b>	<u>1,044</u>	<u>473</u>

Recognised in other comprehensive income	2021	2020
	£'000	
Movement in deferred tax relating to pension scheme (see note 10)	(544)	1,522
	<u>(544)</u>	<u>1,522</u>

Tax expense for the year is higher (2020: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

Reconciliation of tax charge	2021	2020
	£'000	
(Loss) / profit before taxation	(116)	500
(Loss) / profit before taxation multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	(21)	95
Effects of:		
Increase in tax rate	1,065	-
Adjustments in respect of prior years	-	378
<b>Tax charge</b>	<u>1,044</u>	<u>473</u>

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

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 7 Investments

	<u>Subsidiaries</u> £'000
Cost and carrying value	-
At 1 January 2021 and 31 December 2021	-

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	<u>Ownership</u>	
			2021	2020
INEOS Fluor Trustees Limited	England and Wales	Ordinary	100%	100%

**Registered address:**

INEOS Fluor Trustees Limited is incorporated in the United Kingdom. Address of the registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

### 8 Property, plant and equipment

	<u>Freehold Land</u> £'000
<b>Cost</b>	
Balance at 1 January 2021 and 31 December 2021	6,738
<b>Impairment</b>	
Balance at 1 January 2021 and 31 December 2021	(53)
<b>Net book value</b>	
At 1 December 2020 and 31 December 2021	6,685

The freehold land is not depreciated.

### 9 Trade and other debtors

	<u>2021</u>	<u>2020</u>
	£'000	
Amounts owed by group undertakings	158,779	159,327
Taxation and social securities	13	5
Prepayments and accrued income	1	2
	<u>158,793</u>	<u>159,334</u>

Amounts owed by group undertakings comprises of trading balances and intercompany loans. Intercompany loans are denominated in sterling. Interest on intercompany loans is charged at a rate of Libor less 0.1% in line with the groups' loan policy, have no fixed repayment schedule and are repayable on demand.

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 10 Deferred tax assets and liabilities

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	£'000					
Property, plant and equipment	1,913	1,773	-	-	1,913	1,773
Employee benefits	-	-	(6,894)	(4,750)	(6,894)	(4,750)
<b>Tax assets/(liabilities)</b>	<b>1,913</b>	<b>1,773</b>	<b>(6,894)</b>	<b>(4,750)</b>	<b>(4,981)</b>	<b>(2,977)</b>
Deferred tax due after 12 months					<b>(4,981)</b>	<b>(2,977)</b>

#### Movement in deferred tax during the year

	1 January 2021	Recognised in the income statement	Recognised in other comprehensive income	31 December 2021
	£'000			
Plant, property and equipment	1,773	140	-	1,913
Employee benefits	(4,750)	(1,601)	(543)	(6,894)
	<b>(2,977)</b>	<b>(1,461)</b>	<b>(543)</b>	<b>(4,981)</b>

#### Movement in deferred tax during the prior year

	1 January 2020	Recognised in the income statement	Recognised in other comprehensive income	31 December 2020
	£'000			
Plant, property and equipment	1,935	(162)	-	1,773
Employee benefits	(5,449)	(823)	1,522	(4,750)
	<b>(3,514)</b>	<b>(985)</b>	<b>1,522</b>	<b>(2,977)</b>

The directors believe all deferred tax assets to be recoverable.

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

	2021	2020
	£'000	
Trade payables due to group undertakings	48,485	48,853
Accruals and deferred income	41	38
	<b>48,526</b>	<b>48,891</b>

Amounts owed to group undertakings comprises of trading balances and group relief payable.

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 12 Creditors: amounts falling due after more than 1 year

	2021	2020
	£'000	
Provisions (note 13)	124	124
Deferred tax (note 10)	6,894	4,750
	<u>7,018</u>	<u>4,874</u>

### 13 Provisions

	Severance and restructuring provision	Total
	£'000	
<b>At 1 January and 31 December 2021</b>	<u>124</u>	<u>124</u>
Current provisions	-	-
Non-current provisions	124	124
	<u>124</u>	<u>124</u>

#### Severance and restructuring provision

Due to a change in environmental regulations in Europe regarding the use of HFC's, which came into effect on 1 January 2010, the decision was made and announced in 2009 to close the company's HCFC22 plant. The plant closed in December 2009 and a provision was made for expected costs related to the demolition of the plant.

As a result of the sale of the fluorocarbon business during 2010, the company also identified costs such as legal fees and other related costs which have been provided for where a reasonable estimate could be determined and as these costs are incurred they are utilised against the provision.

### 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	2020
	£'000	
Total defined benefit asset	144,925	145,826
Total defined benefit liability	(117,352)	(120,826)
Net asset for defined benefit obligations (see following table)	27,573	25,000
<b>Total employee benefits</b>	<u>27,573</u>	<u>25,000</u>

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 14 Employee benefits (continued)

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset/(liability)	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Balance at 1 January	(120,826)	(103,701)	145,826	135,752	25,000	32,051
<b>Included in profit or loss</b>						
Current service (cost)	(408)	(408)	-	-	(408)	(408)
Interest (cost)/income	(1,886)	(2,065)	2,286	2,774	400	709
	<u>(123,120)</u>	<u>(106,174)</u>	<u>148,112</u>	<u>138,526</u>	<u>24,992</u>	<u>32,352</u>
<b>Included in OCI</b>						
Remeasurements gain/(loss):						
Actuarial gain/(loss) arising from						
- Change in financial assumptions	157	(11,920)	-	-	157	(11,920)
- Change in demographic assumptions	354	(1,626)	-	-	354	(1,626)
- Experience adjustment	61	(7,184)	-	-	61	(7,184)
Return on plan assets excluding interest income	-	-	1,601	12,720	1,601	12,720
Disbursements from plan assets	5,196	6,078	(5,196)	(6,078)	-	-
	<u>5,768</u>	<u>(14,652)</u>	<u>(3,595)</u>	<u>6,642</u>	<u>2,173</u>	<u>(8,010)</u>
<b>Other</b>						
Contributions paid by the employer	-	-	408	658	408	658
<b>Balance at 31 December</b>	<u>(117,352)</u>	<u>(120,826)</u>	<u>144,925</u>	<u>145,826</u>	<u>27,573</u>	<u>25,000</u>

#### Plan Assets:

	2021 £'000	2020 £'000
Cash and cash equivalents	2,438	1,445
Equity instruments	-	5,644
Debt instruments		
- Government - Index-Linked	31,160	47,302
- Government - Nominal	17,595	28,265
- Corporate	57,722	44,083
Other	36,010	15,018
Real estate	-	4,069
<b>Total</b>	<u>144,925</u>	<u>145,826</u>

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.

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 14 Employee benefits (continued)

#### Actuarial assumptions

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

	2021	2020
Rate of inflation	3.20%	2.80%
Discount rate at 31 December	1.90%	1.60%
Future pension increases	3.00%	2.70%

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: 22.2 (2020: 22.2) years (male), 24.3 (2020: 24.2) years (female)
- Future retiree upon reaching 65: 23.3 (2020: 23.3) years (male), 25.6 (2020: 25.6) years (female)

#### 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/ (decreased) as a result of a change in the respective assumptions by one percent.

	2021	2020
	£'000	
Discount rate (1% increase)	26,425	27,171
Inflation (RPI, CPI) (0.5% increase)	9,062	9,312
Mortality rate (1 year increase in longevity for a member currently aged 65)	4,858	5,000

In valuing the liabilities of the pension fund at 31 December 2021, mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2021 would have increased by £4,858,000 before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 December 2020 and are applied to adjust the defined benefit obligation at the end of the reporting period 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.

#### Funding

The Company expects to pay £408,000 (2020: £408,000) in contributions to its defined benefit plans in 2022. The weighted average duration of the defined benefit obligation at the end of the reporting period is 20.6 years (2020: 20.5 years).

## Notes to the Financial Statements for the year ended 31 December 2021 (continued)

### 15 Called up share capital

	2021	2020
	£'000	
<i>Allotted and fully paid</i>		
(2020: 39,100,001) ordinary shares of £1 each	39,100	39,100
	<u>39,100</u>	<u>39,100</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 16 Contingencies

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 2021 was €4,851.1 million (2020: €3,682.3 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 03 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 2021 was €1,645.0 million (2020: €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.

The Company is party to a Schuldschein Loan agreement dated 22 March 2019. The total outstanding indebtedness under the Schuldschein Loan agreement at 31 December 2021 was €141.0 million (2020: €141.0 million). The Company is a guarantor under the Schuldschein Loan agreement. These obligations are secured by fixed and floating charges over the assets of the Company.

### 17 Related parties

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company did not enter into any transactions with directors. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow owned subsidiaries under common ownership.

### 18 Controlling parties

The Company is a subsidiary undertaking of INEOS Fluor Holdings Limited, which is the immediate parent company registered in England and Wales. The ultimate parent company is INEOS Limited, a company registered in the Isle of Man.

The smallest and largest group in which the results of the Company are consolidated is that headed by INEOS Group Holdings S.A., a subsidiary of INEOS Limited. The consolidated financial statements of INEOS Group Holdings S.A. are available to the public and may be obtained from the Company Secretary at 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg which is the registered address.

The Directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his shareholding in INEOS Limited.

## **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

### **19 Accounting estimates and judgements**

The Group prepares its consolidated financial statements in accordance with IFRSs, 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.

#### **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.

#### **Post-retirement benefits**

The Company operates a defined benefit post-employment scheme. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of the defined benefit scheme. The costs and year end obligation under a defined benefit scheme is determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Expected rates of return on the scheme assets.

Details of post-retirement benefits are set out in Note 14.