INEOS Chemicals France Holdings Limited

Annual report and financial statements
Registered number 08675590
31 December 2022

Contents

Section 1 – Strategic report and Directors' report

Strategic report for the year ended 31 December 2022

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

Results for the year

The results of the Group are set out in the consolidated income statement on page 16, which shows a profit before taxation for the year from continuing operations of €21,306,000 *(2021: loss of €19,123,000).*

Review of business and future developments

INEOS Chemicals France Holdings Limited ("the Company") operates manufacturing facilities in France and Italy through its subsidiaries INEOS Manufacturing Italia SpA, INEOS Chemicals Lavera SAS and INEOS Polymers Sarralbe SAS. These companies entered tolling agreements with INEOS Olefins SA (IOSA), a related party, for the production on demand of polyethylene and polypropylene.

On 4 January 2022, as part of a strategic reorganisation of the Polymers South business, INEOS Derivatives France Limited (IDFL) sold its inventory and some other related working capital balances to IOSA. On the same date, the entrepreneurial activity of the business transferred to IOSA. The activity that transferred has been classified as a discontinued operation in the income statement. As a result of this reorganisation, the subsidiaries in the group started to generate tolling income from IOSA rather than IDFL in 2022 resulting in an increase in revenue and cost of sales in 2022 as this activity was eliminated on consolidation in the 2021 results. The Group will also receive interest income as a result of providing loans to other INEOS companies.

On the same date, the inventory financing facility with J Aron and Company LLC was also transferred to IOSA.

The Russian invasion of Ukraine on 24 February 2022 had a severe impact on the global oil and gas markets. The commodity prices reached a record high in the months following the beginning of the war. It also contributed to accelerate the rate of inflation suffered by European economies. The Company and its subsidiaries witnessed a large increase to the cost base which was passed onto customers.

The manufacturing outputs in the first half of 2022 was aligned with the production of the first half of 2021 except for the month of April 2022. A leak on the seawater cooling network at the beginning of April constrained all chemical plants in Lavera to stop until repair works were completed towards the end of the month.

During the second half of the year, the production schedule was cut due to a reduced demand from IOSA, as driven by weaker economic conditions in the second half of the year.

For future developments see the strategy section below.

Strategy

The future activity of the Group following the reorganisation will be tolling income and interest income through providing loans to other INEOS companies.

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

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. Management undertakes an annual risk identification and assessment process to identify the key business risks affecting the Group. The key business risks affecting the Group which were identified within this risk assessment process are set out below:

- The petrochemical industry is cyclical — changing market demands and prices may negatively affect the Group's operating margins and impair its cash flow which, in turn, could affect its ability to make payments on its debt or to make further investments in the business;
- Raw materials and suppliers — if the Group is unable to pass on increases in raw material prices, or to retain or replace its key suppliers, its results of operations may be negatively affected;
- International operations and currency fluctuations — the Group 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 Group's industries, whether through efforts of new and current competitors or through consolidation of existing customers, may adversely affect its competitive position, sales and overall operations;
- Inability to maximise utilisation of assets — the Group may be adversely affected if it is unable to implement its strategy to maximise utilisation of assets;
- Synergies — the Group may not realise anticipated revenue and cost synergies, benefit from anticipated business opportunities or experience anticipated growth from any of its acquisitions;
- Outbreaks of disease — the outbreak of contagious diseases may have a negative impact on the Group's business and performance, and an adverse impact on the global economy generally. During the course of 2022, the Group has managed the outbreak of the COVID-19 coronavirus by implementing various measures to ensure the safety of employees and the ongoing operation of the plants;
- Cyber security — a cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss;
- Climate change – existing and proposed regulations to address climate change by limiting greenhouse gas emissions may cause us to incur significant additional operating and capital expenses. In addition, compliance with new regulation could limit the useful economic life of our plants, lead to a reduction in demand for fossil fuel derived products and result in a lack of competitiveness if our competitors develop new technologies;
- Regulation – the Group is highly regulated and may have substantial obligations and liabilities arising from health, safety, security and environmental ("HSSE") laws, regulations and permits applicable to our operations;
- Customers — the Group is subject to the risk of loss resulting from non-payment or non-performance by our customers. Our credit procedures and policies may not be adequate to minimise or mitigate customer credit risk. Our customers may experience financial difficulties, including bankruptcies, restructurings and liquidations;
- Employees — the success of the Group depends on the continued service of certain key personnel and on good relations with our workforce as any significant disruption could adversely affect the Group; and

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

Section 172(1) statement

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

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

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

Long-term factors (a)

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

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

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

Stakeholder considerations (b – e)

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

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

Section 172(1) statement *(continued)*

Stakeholder considerations (b – e) (continued)

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

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

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

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

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

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

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

Principal Decisions

The principal decision made by the board over the past year was to transfer the inventory and related balances and the future entrepreneurial activity to INEOS Olefins S.A., which is described further on page 2.

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

Key performance indicators ("KPIs")

The Group 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, amortisation and exceptional items ("EBITDA before exceptional items"). The Group also closely monitors fixed costs against budget and prior year. Details of actual and comparative EBITDA results are provided below:

	2022 €000	2021 €000
Operating profit/(loss) for the year	9,276	(27,095)
Depreciation charge for the year	22,280	23,494
Amortisation for the year	274	-
	31,830	(3,601)

The Group 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 Group.

Approved by the Board of Directors and signed on behalf of the Board of Directors.

G W Leask
Director
28 June 2023

Directors' report for the year ended 31 December 2022

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

Principal activities

The principal activity of the Group is tolling income from IOSA and interest income through providing loans to other INEOS companies.

INEOS Chemicals France Holdings Limited's principal activities are that of a holding company for its direct subsidiary entities.

Future developments

Future developments are discussed in the Strategic report.

Post balance sheet events

On 9 March 2023, INEOS Chemicals France Limited was dissolved, this had no financial impact to the Group.

Covid-19 and the Ukraine conflict

The Group 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 Group's plants.

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

The Group does not have operations in Belarus, Russia or Ukraine. During 2021 and 2022 no revenue was generated in these countries by the Group. The Group is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

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

Going Concern

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom ("Adopted IFRSs") effective 31 December 2022 and with the Companies Act as applicable to companies using Adopted IFRSs.

The Group is compliant with its debt covenant as at 31 December 2022 and meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries. The Group held cash balances of €2,248,000 at 31 December 2022 *(2021: €18,038,000)* and loans and borrowings of €11,000,000 at 31 December 2022 *(2021: €15,000,000)*. The directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will be compliant with its debt covenants and will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements. The directors have received confirmation that INEOS Olefins SA will continue to support the Group for at least the 12 months from signing of these financial statements.

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

Going Concern *(continued)*

On the basis of this assessment together with net assets of €395,420,000 as at 31 December 2022 *(2021: €352,558,000)* and the Group's ability to meet working capital requirements through its external financing abilities, along with access to cash generated by its subsidiaries, the directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group where appropriate. The Group is exposed to commodity price risk as a result of its operations and seeks to mitigate this risk through various purchasing strategies. The Group manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. Note 24 of the financial statements provides further information on financial instruments, interest risk, liquidity risk and foreign currency risk.

Results and proposed dividend

Results are discussed in the Strategic report. The directors do not propose payment of a dividend *(2021: €nil)*.

Political and charitable contributions

Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during the year which is required to be disclosed.

Directors

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

G W Leask
D Smeeton
F J C Herrero (Appointed 1 January 2022)

Employees

The Group has developed voluntary practices and procedures for employee involvement appropriate to their own circumstances and needs. The Group encourages this approach to provide information and consultation and believes that this promotes a better understanding of the issues facing the individual business in which the employee works. The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group by issuing communications on the intranet, holding information meetings hosted by the Board and operating a bonus scheme linked to the business performance. The Group consults employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

The Group prohibits acts of discrimination whereby one individual is treated less favourably than another on grounds of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity. The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

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

Streamlined Energy and Carbon Reporting ("SECR")

The Group is required to comply with the Streamlined Energy and Carbon Reporting ("SECR") reporting requirements and disclose its annual greenhouse gas emissions in the UK. The Group has chosen to use the de minimis exemption in this regard as the Group contains no UK based operations and is able to obtain an exemption due to consuming less than 40,000KWh of energy.

Health & safety

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

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

Business relationships

The business relationships with suppliers and customers are of strategic importance to the directors of the Group and their decision making process. The business relationships of the Group are described in the Section 172(1) statement in the Strategic report.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic report and the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Accounting Standards. The Group financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. Thedirectors have chosen to prepare Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), comprising FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of directors' responsibilities in respect of the financial statements *(continued)*

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

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

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

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

Independent auditor

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

Approved by the Board of Directors and signed on behalf of the Board of Directors.

G W Leask
Director
28 June 2023
Registered number 08675590

Section 2 – Consolidated Financial Statements

Independent auditor's report to the members of INEOS Chemicals France Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of INEOS Chemicals France Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies for the consolidated any parent company financial statements; and
- the related notes to the consolidated financial statements 1 to 31 and the related notes to the Company financial statements 1 to 14.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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 group and the parent 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.

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

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 group's and parent 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.

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 group's and the parent 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 group or the parent 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. This description forms part of our auditor's report.

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Money Laundering regulations, Health and Safety at work legislation, Data Protection Act, Pensions legislation, Tax legislation and the Bribery Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as pensions, IT and analytics regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Revenue recognition - revenue is generally a highly automated process with few complex revenue transactions, therefore we pinpointed our significant risk to non-standard revenue transactions that do not follow the expected transaction flow (revenue/debtor/cash). Those items which did not follow the typical transaction process were investigated and agreed through to supporting documentation such as invoice, goods dispatch note, third party documentation and payment to assess whether the revenue has occurred.

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 Chemicals France Holdings Limited *(continued)*

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

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

Consolidated Income Statement
for year ended 31 December 2022

	Note	2022 €000	2021 €000
Continuing operations			
Revenue	2	**236,841**	49,600
Cost of sales		**(210,768)**	(38,095)
Gross profit		**26,073**	11,505
Other operating income/(expense)	3	**225**	(29,132)
Distribution costs		**(3,403)**	(1,602)
Administrative expenses		**(13,619)**	(7,866)
Operating profit/(loss)	4	**9,276**	(27,095)
Finance income	7	**13,955**	25,765
Finance costs	7	**(1,925)**	(17,793)
Net finance income		**12,030**	7,972
Profit/(loss) before taxation from continuing operations		**21,306**	(19,123)
Tax (charge)/credit	8	**(326)**	4,403
Profit/(loss) for the year from continuing operations		**20,980**	(14,720)
Discontinued operations			
Profit from discontinued operations	9	**1,859**	66,877
Profit for the financial year		**22,839**	52,157

The notes on pages 22 to 72 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
for year ended 31 December 2022

	Note	2022 €000	2021 €000
Profit for the financial year		**22,839**	52,157
Other comprehensive income			
Items that will not be recycled to profit or loss:			
Remeasurement of post-employment benefit plans, net of tax	*8*	**20,023**	9,564
Other comprehensive income for the financial year, net of tax		**20,023**	9,564
Total comprehensive income for the financial year		**42,862**	61,721

The notes on pages 22 to 72 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet
as at 31 December 2022

	Note	2022 €000	2021 €000
Non-current assets			
Property, plant and equipment	10	**125,860**	125,021
Intangible assets	11	**53,185**	49,936
Trade and other receivables	13	**300,042**	240,552
Financial assets at fair value through other comprehensive income	14	**900**	918
Deferred tax assets	15	**22,631**	29,477
Total non-current assets		**502,618**	445,904
Current assets			
Inventories	16	**14,955**	14,580
Trade and other receivables	13	**101,805**	122,572
Tax receivable		**19,440**	17,426
Cash and cash equivalents		**2,248**	18,038
Assets classified as held for sale	17	**-**	142,356
Total current assets		**138,448**	314,972
Total assets		**641,066**	760,876
Equity attributable to owners and the parent			
Share capital	18	**-**	-
Other reserves		**9,154**	(10,869)
Retained earnings		**386,266**	363,427
Total equity		**395,420**	352,558
Non-current liabilities			
Interest bearing loans and borrowings	19	**11,000**	11,000
Lease liabilities	20	**800**	1,066
Trade and other payables	21	**16,304**	17,886
Employee benefits	22	**88,687**	117,056
Provisions	23	**1,197**	960
Total non-current liabilities		**117,988**	147,968
Current liabilities			
Interest bearing loans and borrowings	19	**-**	4,000
Lease liabilities	20	**400**	473
Trade and other payables	21	**119,365**	187,453
Tax payable		**7,323**	16,952
Provisions	23	**570**	621
Liabilities directly associated with assets classified as held for sale	17	**-**	50,851
Total current liabilities		**127,658**	260,350
Total liabilities		**245,646**	408,318
Total equity and liabilities		**641,066**	760,876

Consolidated Balance Sheet *(continued)*
as at 31 December 2022

The notes on pages 22 to 72 are an integral part of these consolidated financial statements.

These financial statements on pages 16 to 72 were approved by the Board of Directors on 28 June 2023 and signed on its behalf by:

G W Leask
Director
Registered number 08675590

Consolidated Statement of Changes in Equity
for year ended 31 December 2022

	Note	**Share Capital €000**	**Other Reserves €000**	**Retained Earnings €000**	**Total equity €000**
Balance at 1 January 2021		-	(20,433)	311,270	290,837
Profit for the year		-	-	52,157	52,157
Other comprehensive income:					
Re-measurement of post-employment benefit plans, net of tax	*8*	-	9,564	-	9,564
Total other comprehensive income		-	9,564	52,157	61,721
Balance at 31 December 2021		-	(10,869)	363,427	352,558
Profit for the year		-	-	**22,839**	**22,839**
Other comprehensive income:					
Re-measurement of post-employment benefit plans, net of tax	8	-	**20,023**	-	**20,023**
Total other comprehensive income		-	**20,023**	**22,839**	**42,862**
Balance at 31 December 2022		-	**9,154**	**386,266**	**395,420**

Other reserves relate to the re-measurement of post-employment benefit plans.

The notes on pages 22 to 72 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for year ended 31 December 2022

	Note	**2022**	2021
		€000	€000
Cash flows generated from/(used in) operating activities			
Profit/(loss) for the financial year from:			
Continuing operations		**20,980**	(14,720)
Discontinued operations	*9*	**1,859**	66,877
Adjustments for:			
Net finance income		**(12,093)**	(7,294)
Tax charge		**(6)**	11,110
Depreciation	*10*	**22,280**	23,494
Amortisation		**274**	-
Decrease/(increase) in trade and other receivables		**34,348**	(46,373)
Increase in inventories		**(7,479)**	(56,020)
(Decrease)/increase in trade and other payables		**(80,654)**	100,608
Decrease in provisions and employee benefits		**(9,306)**	(1,452)
Loss on sale of disposal of investment		**9**	-
Tax paid		**(867)**	(560)
Net cash flow (used in)/generated from operating activities		**(30,655)**	75,670
Cash flows used in investing activities			
Acquisition of property, plant and equipment		**(22,287)**	(23,175)
Acquisition of intangible assets		**(10,459)**	(6,936)
Proceeds from sale of equipment		**-**	694
Interest receivable		**9**	25,765
Net cash generated used in investing activities		**(32,737)**	(3,652)
Cash flows generated from/(used in) financing activities			
(Repayment)/draw-down of loan		**(5,557)**	21,053
Repayment of loan from related party		**69,909**	15,088
Loans granted to related party		**(22,689)**	(108,809)
Interest paid		**(296)**	(1,395)
Capital element of right of use lease payment		**(506)**	(1,310)
Net cash from/(used) in financing activities		**40,861**	(75,373)
Net decrease in cash and cash equivalents		**(22,531)**	(3,355)
Cash and cash equivalents at beginning of year		**18,038**	20,917
Effect of exchange rate fluctuations on cash held		**6,741**	476
Cash and cash equivalents at end of year		**2,248**	18,038

The notes on pages 22 to 72 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 December 2022

1. Accounting policies

1.1 Overview

INEOS Chemicals France Holdings Limited (the "Company") is a private limited company, limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG. The nature of the operations and principal activities of the Company and its subsidiaries is the production of a range of polymers selling through a network of Limited Risk Distributors in the UK and across Europe for which it pays a small margin.

1.2 Basis of accounting

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity and about its Group.

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and with International Financial Reporting Standards as issued by the IASB which requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 30.

In preparing the financial statements, the directors have considered the impact of climate change, particularly in the context of the principal risk identified on page 3. There has been no material impact identified on the financial reporting judgements and estimates. The directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

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

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.3 Going Concern

The Group financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom ("Adopted IFRSs") effective 31 December 2022 and with the Companies Act as applicable to companies using Adopted IFRSs.

The Group is compliant with its debt covenant as at 31 December 2022 and meets its day to day working capital requirements through its intercompany loan and external financing facilities, along with cash generated by its subsidiaries. The Group held cash balances of €2,248,000 at 31 December 2022 *(2021: €18,038,000)* and loans and borrowings of €11,000,000 at 31 December 2022 *(2021: €15,000,000)*. The directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will be compliant with its debt covenants and will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements. The directors have received confirmation that INEOS Olefins SA will continue to support the Group for at least the 12 months from signing of these financial statements.

On the basis of this assessment together with net assets of €395,420,000 as at 31 December 2022 *(2021: €352,558,000)* and the Group's ability to meet working capital requirements through its external financing abilities, along with access to cash generated by its subsidiaries, the directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

1.4 Measurement convention

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

1.5 Functional and presentation currency

These Group financial statements are presented in euro, which is the functional currency of the majority of operations. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

The exchange rate as at 31 December 2022 was £1: €0.88490 *(2021: £1: €0.83960)*.

All financial information has been rounded to the nearest €1,000.

1.6 Basis of consolidation

Subsidiaries are entities controlled by the Group, control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.7 Foreign exchange

Transactions in foreign currencies are translated to the respective functional currencies of Group entities 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. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income. 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.

1.8 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

- where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.9 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, 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 plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss.

Trade and other payables

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.9 Non-derivative financial instruments *(continued)*

Investments in debt and equity securities

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through the profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding.

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

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 as amortised cost using the effective interest method, less any impairment losses.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.10 Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Assets are capitalised in recognition of future economic benefits as for health and safety compliance.

Capital work in progress is held as assets under construction until fully commissioned and transferred into active use.

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 consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets under construction are not depreciated. The estimated useful lives are as follows:

• Buildings	15 – 30 years
• Plant and machinery	4 – 30 years
• Right-of-use assets	1 – 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.11 Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the acquisition method except acquisitions under common control which are outside the scope of IFRS 3. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. All transaction costs are expensed as incurred.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of the other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Amortisation

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Licenses up to 48 years

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.11 Business combinations, goodwill and intangible assets *(continued)*

Disposals held for sale

Gains or losses on the disposal of assets held for sale (disposal groups) are recognised upon derecognition. The gain or loss on derecognition is calculated between the net disposal proceeds, if any, and the carrying amount of the item.

1.12 Impairment

Impairment of financial assets

Trade and other receivables

The Group 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 Group 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 Group.

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

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

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

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

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 consolidated 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 independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

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

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

Reversals of impairment

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 and of amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.13 Inventories

Inventories are stated at the lower of cost, using the first-in first-out method, and net realisable value. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provisions are made for obsolete, slow-moving or defective items where appropriate. Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

1.14 Commodities

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

1.15 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and funded and unfunded defined benefit and defined contribution pension plans. The Group also provides unfunded early retirement benefits and long service awards for certain employees.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred. The assets of the plans are held separately from the Group in independently administered funds.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan that is not a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan 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 discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense' or 'finance income'.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

The Group recognises actuarial gains and losses in the period they occur directly in equity through the statement of comprehensive income.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.15 Employee benefits *(continued)*

***Defined benefit plans** (continued)*

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- operating charges;
- net finance costs; and
- recognised directly in equity, the remeasurements of post-employment benefit obligations.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- the increase in pension benefit liability arising from employee service during the period; and
- the cost of plan introductions, benefit changes, curtailments and settlements.

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 cash bonus or profit-sharing plans if the Group 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.

1.16 Provisions

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

Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

1.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.18 Revenue

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. 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 pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

1.19 Government grants

Government grants are shown in the consolidated balance sheet as deferred income. This income is amortised on a straight line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they become receivable. Further details on government grants received in the current and prior year are included in note 4 in the consolidated financial statements

1.20 Finance income and costs

Interest income and interest expense is recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses derivatives, net interest on employee benefit liabilities and net foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Finance income comprise interest receivable on funds invested and from related party loans, net interest income on the defined benefit plan assets, net fair value gain on derivatives and net foreign exchange gains.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.21 Taxation

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

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 end of the reporting period, 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 end of the reporting period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.22 Emission trading scheme

The Group participates in the EU Emissions Trading Scheme. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU Emissions Trading Scheme is recognised in the consolidated income statement once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

Emissions allowances purchased from third parties are recognised as an intangible asset based on the cost associated with the purchase. The emission allowances are subject to impairment under the indefinite lived intangible asset impairment model. There is no amortisation of these allowances. The costs of the allowances are recognised as a disposal and released to the profit and loss along with the accrual as they are utilised.

1.23 IFRS 16 Leases

At inception of a contract, the Group 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 Group uses the definition of a lease in IFRS 16.

Notes to the Consolidated Financial Statements *(continued)*
For the year ended 31 December 2022

1. Accounting Policies *(continued)*

1.23 IFRS 16 Leases *(continued)*

Company as a lessee

Right-of-use assets

The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 Group 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 Group's incremental borrowing rate.

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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 Group 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 Group'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.

Notes to the Consolidated Financial Statements *(continued)*

For the year ended 31 December 2022

1. Accounting Policies *(continued)*

1.23 IFRS 16 Leases *(continued)*

Short-term leases and leases of low-value assets

The Group 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 Group 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 expense on a straight-line basis over the lease term.

1.24 Discontinued Operations

Discontinued operations are those that have been sold or otherwise disposed of or have been classified as held for sale and represent a full segment or single plan to dispose. The results generated from discontinued operations, both for the current financial year as well as those presented for the preceding year are presented separately in the income statement.

1.25 Assets held for sale

Assets or disposal groups are reclassified as held for sale if it is considered that their carrying amount will be recovered when sold, rather than via continuing use. The condition is only met when there are available for immediate sale in their current condition subject only to terms that are usual and customary for sales of such assets and the sale is highly probable. The total of these assets is presented on one line and recorded at the lower of their carrying amount or fair value less costs to sell. They are not subject to depreciation from the moment they are reclassified as held for sale.

1.26 Changes in accounting policies

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2022, with effect from 1 January 2022, although there has been no material effect on the Group's financial statements:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract.

  The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- Amendments to References to the Conceptual Framework in IFRS 3.

  The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Notes to the Consolidated Financial Statements *(continued)*
For the year ended 31 December 2022

1. Accounting Policies *(continued)*

1.26 Changes in accounting policies ***(continued)***

- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use.

  Under the amendments, proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

  If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

- Annual Improvements to IFRS Standards 2018-2020:

  IFRS 1: Subsidiary as a first-time Adopter – The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

  IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities – The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

  IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements.

1.27 Accounting standards not applied

A number of new standards and amendments are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).
- Amendments to IFRS 16: Lease liability in a sale and leaseback (effective date 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective date 1 January 2024).

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

2. Revenue

All revenue was generated from sales to customers in the Rest of Europe, not including the United Kingdom.

Revenues of €214,000 (*2021: €294,000*) have been generated from the sale of polymers, the remaining €236,627,000 (*2021: €49,306,000*) of revenue relates to the provision of tolling and other services, all derived from operations in the Rest of Europe.

The timing of revenue recognition for the sale of polymers is at a point in time. The timing of revenue recognition under tolling arrangements is over time.

No contract assets and liabilities have been recognised in the balance sheet of the Group. Its impact, if any, was deemed immaterial. The performed analysis has concluded that the right of payment of the goods and services sold by the Group is unconditional, except for the passage of time. Therefore, all rights of payment have been booked as trade receivables.

No assets related to costs to obtain or fulfil a contract have been recognised.

3. Other operating income/(expense)

Recognised in the consolidated income statement

	2022 **€000**	2021 €000
Other operating income		
Government grant	**225**	154
Total other operating income	**225**	154
Other operating expenses		
Related party profit share expense	-	(29,286)
Total other operating expenses	-	(29,286)
Net other operating income/(expense)	**225**	(29,132)

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

3. Other operating income/(expense) *(continued)*

From the beginning of 2017, profit sharing agreements were entered into between INEOS Derivatives France Limited (IDFL) and INEOS Olefins S.A. (IOSA).

In return for management of investment and capital expenditure decisions IDFL receive a share of IOSA's net operating income or loss. IOSA provide sales and marketing services for which IDFL pay a fee based on their operating income or loss.

The government grant income relates to an apprentice scheme currently operating in France.

4. Operating profit/(loss)

Included in the operating profit/(loss) are the following:

	2022	2021
	€000	€000
Expense relating to short-term leases	**36**	35
Exchange loss	**41**	71
Government grants	**(9,783)**	(2,499)
Amortisation of intangible assets *(Note 11)*	**274**	-
Depreciation of property, plant and equipment:		
Owned assets *(Note 10)*	**21,753**	22,176
Right-of-use assets *(Note 10)*	**527**	1,318

The Italian Government introduced grants to ease the increasing energy costs on qualifying business. In 2022, INEOS Manufacturing Italia SpA (a subsidiary of the Company) received €9,783,000 (2021: €2,499,000) of Government grants in relation to the Energy Credit scheme and the White Certificates scheme, to contribute towards the increased energy costs. In line with IFRS, the amounts received were netted from the associated expenses within cost of sales in the Consolidated Statement of Comprehensive Income.

Auditor's remuneration:

	2022	2021
	€000	€000
Audit of these financial statements	**176**	33
Amounts receivable by auditor in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**336**	280
	512	313

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

5. Staff numbers and costs

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

	Number of employees	
	2022	2021
Administration	**493**	253
Operations	**106**	324
	599	577

The aggregate payroll costs of those persons were as follows:

	2022	2021
	€000	€000
Wages and salaries	**38,616**	38,855
Social security costs	**13,884**	14,429
Other pension costs – expenses related to the defined contribution pension plan *(Note 22)*	**599**	554
Other pension costs – expenses related to the defined benefit pension plan *(Note 22)*	**2,001**	3,091
	55,100	56,929

6. Directors' remuneration

None (*2021: none*) of the directors received any fees or remuneration for services as a director of the Group during the financial year. 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 Group.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

7. Finance income and costs

Recognised in the consolidated income statement

	2022 €000	2021 €000
Finance income		
Interest receivable from related parties	**13,954**	25,765
Exchange gains	**1**	-
Total finance income	**13,955**	25,765
Finance costs		
Interest payable to related parties	**485**	16,833
Bank interest	**268**	279
Interest on lease liabilities	**26**	38
Interest payable on employee benefit liabilities	**1,146**	643
Total finance costs	**1,925**	17,793
Net finance income	**12,030**	7,972

8. Tax charge/(credit)

Taxation recognised in the consolidated income statement

	2022 €000	2021 €000
Current tax credit		
Current tax on profit/(loss)	**214**	(3,894)
Foreign tax	**852**	113
Adjustments in respect of prior years	**(1,363)**	(1,102)
Total current tax credit	**(297)**	(4,883)
Deferred tax charge		
Origination and reversal of temporary differences	**951**	399
Adjustment in respect of prior years	**(328)**	81
Total Deferred tax charge *(Note 15)*	**623**	480
Total tax charge/(credit)	**326**	(4,403)

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

8. Tax charge/(credit) *(continued)*

Reconciliation of effective tax rate

	2022 €000	2021 €000
Profit/(loss) before taxation from continuing operations	**21,306**	(19,123)
Tax using the UK corporation tax rate of 19% *(2021: 19%)*	**4,048**	(3,633)
Non-deductible expenses/tax exempt revenues	**(4,517)**	(448)
Effect of tax rates in foreign jurisdictions	**463**	95
Deferred tax not recognised	**2,023**	604
Adjustments in respect of prior years	**(1,691)**	(1,021)
Total tax charge/(credit)	**326**	(4,403)

Taxation recognised in other comprehensive income

	2022 Gross €000	2022 Tax €000	2022 Net €000	2021 Gross €000	2021 Tax €000	2021 Net €000
Remeasurements of post employment benefit plans	**26,698**	**(6,675)**	**20,023**	12,752	(3,188)	9,564
Total	**26,698**	**(6,675)**	**20,023**	12,752	(3,188)	9,564

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

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

9. Discontinued operations

On 4 January 2022, as part of a strategic reorganisation of the Polymers South business, the Group sold its inventory and some other related working capital balances to INEOS Olefins S.A., a related party. On the same date, the entrepreneurial activity of the business transferred to INEOS Olefins S.A. The sale was agreed prior to 31 December 2021 (see Note 17). The trade that transferred has been classified as a discontinued operation.

The result of the discontinued operations, which have been included in the profit for the year, were as follows:

	2022	2021
	€000	€000
Revenue	**4,367**	968,301
Expenses	**(15,604)**	(885,233)
Net finance income/(costs)	**63**	(678)
(Loss)/profit before tax	**(11,174)**	82,390
Gain on disposal of discontinued operations	**12,701**	-
Attributable tax credit/(expense)	**332**	(15,513)
Net profit attributable to discontinued operations (attributable to the owners of the Company)	**1,859**	66,877

Effect of disposal on the financial position of the Group

	2022
	€000
Fixed assets	**2,343**
Inventories	**134,254**
Trade and other receivables	**2,856**
Trade and other payables	**(49,294)**
Net assets	**90,159**
Consideration received	**(102,860)**
Gain on disposal of discontinued operations	**(12,701)**

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

10. Property, plant and equipment

	Land and buildings €000	Plant and machinery €000	Assets under construction €000	Right-of-use assets €000	Total €000
Cost					
Balance at 1 January 2021	47,639	354,482	41,779	4,890	448,790
Additions	-	-	28,663	1,060	29,723
Disposals	(578)	(61)	-	(2,317)	(2,956)
Transfers	2,305	18,443	(20,748)	-	-
Reclassifications	-	(4,511)	-	(1,272)	(5,783)
Balance at 31 December 2021	49,366	368,353	49,694	2,361	469,774
Additions	**-**	**382**	**22,987**	**166**	**23,535**
Disposals	**(155)**	**(2,967)**	**-**	**(177)**	**(3,299)**
Transfers	**5,204**	**16,151**	**(21,355)**	**-**	**-**
Reclassifications	**-**	**(640)**	-	**-**	**(640)**
Balance at 31 December 2022	**54,415**	**381,279**	**51,326**	**2,350**	**489,370**
Accumulated depreciation					
Balance at 1 January 2021	(39,147)	(285,066)	-	(2,748)	(326,961)
Depreciation charge for the year	(1,179)	(20,997)	-	(1,318)	(23,494)
Disposals	194	57	-	2,011	2,262
Reclassifications	-	2,253	-	1,187	3,440
Balance at 31 December 2021	(40,132)	(303,753)	-	(868)	(344,753)
Depreciation charge for the year	**(1,224)**	**(20,529)**	-	**(527)**	**(22,280)**
Disposals	**155**	**2,967**	-	**177**	**3,299**
Reclassifications	-	**224**	-	-	**224**
Balance at 31 December 2022	**(41,201)**	**(321,091)**	**-**	**(1,218)**	**(363,510)**
Net book value					
At 31 December 2021	9,234	64,600	49,694	1,493	125,021
At 31 December 2022	**13,214**	**60,188**	**51,326**	**1,132**	**125,860**

Depreciation

The depreciation charge is recognised in administrative expenses in the consolidated income statement.

Reclassifications in 2021 relate to the assets transferred to INEOS Olefins S.A. as part of the reorganisation of the Polymers South business. These assets have been classified as a disposal group held for sale at 31 December 2021, see Note 17 for further information. Reclassifications in 2022 relate to licence fees transferred to intangible assets.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

10. Property, plant and equipment *(continued)*

Right-of-use assets

The Group leases assets including transportation and plant and machinery which are classified as right-of-use assets.

	Plant and machinery €000	Total €000
Cost		
Balance at 1 January 2021	4,890	4,890
Additions	1,060	1,060
Disposals	(2,317)	(2,317)
Reclassifications	(1,272)	(1,272)
Balance at 31 December 2021	2,361	2,361
Additions	**166**	**166**
Disposals	**(177)**	**(177)**
Balance at 31 December 2022	**2,350**	**2,350**
Accumulated depreciation and impairment		
Balance at 1 January 2021	(2,748)	(2,748)
Depreciation charge for the year	(1,318)	(1,318)
Disposals	2,011	2,011
Reclassifications	1,187	1,187
Balance at 31 December 2021	(868)	(868)
Depreciation charge for the year	**(527)**	**(527)**
Disposals	**177**	**177**
Balance as 31 December 2022	**(1,218)**	**(1,218)**
Net book value		
At 31 December 2021	1,493	1,493
At 31 December 2022	**1,132**	**1,132**

Reclassifications relate to the assets transferred to INEOS Olefins S.A. as part of the reorganisation of the Polymers South business. These assets have been classified as a disposal group held for sale, see Note 17 for further information.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

11. Intangible assets

	Goodwill €000	Environmental Certificates €000	Licence Fees €000	Total €000
Cost				
Balance at 1 January 2021	43,000	-	-	43,000
Additions	-	6,936	-	6,936
Balance at 31 December 2021	**43,000**	**6,936**	**-**	**49,936**
Additions	-	**9,781**	**948**	**10,729**
Disposals	-	**(6,936)**	-	**(6,936)**
Reclassifications	-	-	**640**	**640**
Balance at 31 December 2022	**43,000**	**9,781**	**1,588**	**54,369**
Accumulated depreciation and impairment				
Balance at 1 January and 31 December 2021	-	-	-	-
Amortisation for the year	-	-	**(274)**	**(274)**
Reclassifications	-	-	**(910)**	**(910)**
Balance at 31 December 2022	-	-	**(1,184)**	**(1,184)**
Net book value				
At 31 December 2021	43,000	6,936	-	49,936
At 31 December 2022	**43,000**	**9,781**	**404**	**53,185**

Reclassifications relate to licence fees transferred to intangible assets.

All goodwill relates to the assets at the site in Rosignano, Italy.

The recoverable amount is based on the latest board approved five year plan and a terminal growth rate of 2.0% for the period thereafter. The forecast is based on current performance and management's assumptions regarding the future development of individual parameters including raw material prices and profit margins, utilising available market pricing forecasts. Future assumptions regarding market demand are based on external macroeconomic sources and specific data relevant to the petrochemical industry and management's knowledge of the local markets in which it operates.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

11. Intangible assets *(continued)*

The key assumptions underlying the value in use calculation are shown below:

	2022	2021
Period on which management approved forecasts are based	**5 years**	5 years
Discount rate	**5.75%**	4.5%
Growth rate	**2.0%**	2.0%

A terminal value is calculated based on the discounted average cash flows over the five-year forecasting period assuming a terminal growth rate of 2%.

The discount rate is based upon the pre-tax weighted average cost of capital of the Group as at each respective period end.

The growth rate used includes inflationary growth across our various markets.

Sensitivity of recoverable amounts

The following table presents the change in the discount rate and terminal growth rate for the tests as of 31 December 2022 that would be required in order for the recoverable amount to equal the carrying value:

Increase discount rate to	11.0%
Decrease in terminal growth rate of	2.0%

12. Investments in subsidiary undertakings

The Company has the following investments in subsidiaries:

			Ownership	
Name	**Address of the registered office**	**Class of shares held**	**2022**	2021
INEOS Chemicals France Limited	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG	Ordinary	**100%**	100%
INEOS Derivatives France Limited	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG	Ordinary	**100%**	100%
INEOS Chemicals Lavera SAS	Avenue de la Bienfaisance, BP6 3117, Lavera, France	Ordinary	**100%**	100%
INEOS Polymers Sarralbe SAS	Rue Ernest Solvay, Sarralbe, France	Ordinary	**100%**	100%
INEOS Manufacturing Italia SpA	Via Piave, Rosignano (Livorno), frazione di Rosignano, Italy	Ordinary	**100%**	100%

On the date of approval and signing of the consolidated financial statements, as set out on page 19, the outstanding liabilities at the balance sheet date, 31 December 2022, of INEOS Chemicals France Limited and INEOS Derivatives France Limited were guaranteed by the parent undertaking, INEOS Chemicals France Holdings Limited (registered number 08675590) pursuant to S479A of the Companies Act.

INEOS Chemicals France Limited is a dormant company. INEOS Chemicals Lavera SAS, INEOS Polymers Sarralbe SAS and INEOS Manufacturing Italia S.p.A. are "Toll Manufacturers". INEOS Derivatives France Limited is an "Entrepreneur". INEOS Chemicals France Limited was placed into voluntary liquidation in July 2021 and was formally dissolved on 9 March 2023. This had no financial impact to the Group.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

13. Trade and other receivables

	2022 €000	2021 €000
Current		
Trade receivables	**872**	3,614
Other receivables	**7,256**	6,661
Amounts due from related parties *(Note 28)*	**86,427**	106,689
Prepayments	**6,513**	5,051
Accrued income	**737**	557
	101,805	122,572
Non-current		
Other receivables	**743**	743
Accrued income	**3,249**	2,302
Related party loan *(Note 28)*	**296,050**	237,507
	300,042	240,552

Credit quality of financial assets and impairment losses

The ageing of trade and other receivables at the end of the reporting year was:

2022

	Trade receivables		Amounts due from related parties		Other receivables	
	Gross €000	Impairment €000	Gross €000	Impairment €000	Gross €000	Impairment €000
Not past due	**416**	-	**86,427**	-	**7,999**	-
Past due 0-30 days	**180**	-	-	-	-	-
Past due 31-90 days	**239**	-	-	-	-	-
More than 90 days	**37**	-	-	-	-	-
	872	-	**86,427**	-	**7,999**	-

2021

	Trade receivables		Amounts due from related parties		Other receivables	
	Gross €000	Impairment €000	Gross €000	Impairment €000	Gross €000	Impairment €000
Not past due	3,390	-	106,689	-	7,404	-
Past due 0-30 days	75	-	-	-	-	-
Past due 31-90 days	126	-	-	-	-	-
More than 90 days	23	-	-	-	-	-
	3,614	-	106,689	-	7,404	-

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

13. Trade and other receivables *(continued)*

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

The accounts receivable not yet due after impairment losses as of the end of the reporting year are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers and external credit checks where appropriate for new customers. As at 31 December 2021 and 2022 there was no significant trade, related party or other receivable balances not past due that were subsequently impaired.

The concentration of credit risk for trade receivables, other receivables and amounts due from related parties at the balance sheet date by geographic region was:

	2022 €000	2021 €000
Geographic region		
Rest of Europe	**91,516**	89,640
UK	**3,782**	25,198
Other	**-**	2,869
	95,298	117,707

The significant majority of trade and other receivables are owed by counterparties in the oil, gas and chemicals industry.

The allowance account for trade receivables is used to record any impairment unless the company is satisfied that no recovery of the amount owing is probable; at the point the amounts considered irrecoverable are written off against the trade receivables directly. The Group applies the forward-looking 'expected credit loss' (ECL) model in line with IFRS 9 in assessing the recoverability of trade receivables. The ECL is calculated considering past experiences and management's estimate of future developments. Management expects no considerable change in the future market situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Group reviews the assumptions of the ECL model on a yearly basis.

Credit risk of trade receivables

	2022 €000	2021 €000
Low	**872**	3,614
Medium	**-**	-
High	**-**	-
	872	3,614

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

There were no allowances made against amounts due from other receivables during the year *(2021: €nil)*.

There were no allowances made against amounts due from related parties during the year *(2021: €nil)*.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

14. Financial assets at fair value through other comprehensive income

	2022 €000	2021 €000
Non-current		
Financial assets at fair value through comprehensive income	**900**	918

Financial assets at fair value through comprehensive income

These investments comprise of shares in private limited companies. These are not considered to be associates due to there not being significant ownership or control. The carrying value of these financial assets was €900,000 at 31 December 2022 *(2021: €918,000)*. These shares are not listed and there is no active market.

15. Deferred tax assets

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

		2022	
	Assets **€000**	**Liabilities** **€000**	**Total** **€000**
Property, plant and equipment	**517**	-	**517**
Employee benefits	**22,041**	-	**22,041**
Other	**73**	-	**73**
Tax assets	**22,631**	-	**22,631**

		2021	
	Assets €000	Liabilities €000	Total €000
Property, plant and equipment	59	-	59
Employee benefits	29,265	-	29,265
Other	153	-	153
Tax assets	29,477	-	29,477

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

15. Deferred tax assets and liabilities *(continued)*

Movement in deferred tax during the year

	Tax value of loss carry forward €000	Employee Benefits €000	Property, plant and equipment €000	Other €000	Total €000
At 1 January 2021	4,887	32,826	7	(429)	37,291
Recognised in the consolidated income statement	(4,887)	(373)	52	582	(4,626)
Recognised in other comprehensive income	-	(3,188)	-	-	(3,188)
At 31 December 2021	-	29,265	59	153	29,477
Recognised in the consolidated income statement	-	**(549)**	**458**	**(80)**	**(171)**
Recognised in other comprehensive income	-	**(6,675)**	-	-	**(6,675)**
At 31 December 2022	-	**22,041**	**517**	**73**	**22,631**

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered based upon business forecasts.

Any deferred tax expected to reverse after 1 April 2022 has been remeasured using the rates substantively enacted at 31 December 2022. The rate of deferred tax applied at 31 December 2022 is 25% *(2021: 25%)*.

16. Inventories

	2022 €000	2021 €000
Raw materials and consumables	**498**	213
Works in progress	**14,457**	14,367
	14,955	14,580

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €7,203,000 *(2021: €521,550,000)*. The write-down of stocks to net realisable value amounted to €nil *(2021: €nil)*.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

17. Assets and liabilities classified as held for sale and discontinued operations

On 4 January 2022, as part of a strategic reorganisation of the Polymers South business, the Group sold its inventory and some other related working capital balances to INEOS Olefins S.A., a related party. On the same date, the entrepreneurial activity of the business transferred to INEOS Olefins S.A. The sale was agreed prior to 31 December 2021 so was classified as held for sale at this date. The trade that transferred has been classified as a discontinued operation (see Note 9).

Effect of disposal on the financial position of the Group

	2022
	€000
Fixed assets	**2,343**
Inventories	**134,254**
Trade and other receivables	**2,856**
Trade and other payables	**(49,294)**
Net assets	**90,159**
Consideration received	**(102,860)**
Gain on disposal of discontinued operations	**(12,701)**

As at 31 December 2021 the assets and liabilities associated with the sale have been classified as a disposal group held for sale and presented separately in the statement of financial position. The major classes of assets and liabilities comprising the operations classified as held for sale are were follows:

	2021
	€000
Assets held for sale	
Fixed assets	2,343
Stock	137,157
Debtors	2,856
	142,356
Liabilities held for sale	
Creditors	(50,851)
Net assets of disposal group	91,505

Included within the 2022 balances transferred are cash movements in the inventory financing facility which occurred in the period between 1 January 2022 to 4 January 2022. Additionally there was a movement in stock valuation that did not crystalise until the disposal of the business.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

18. Share capital

	2022 €000	2021 €000
Authorised, allotted, called up and fully paid		
2 (2021:2) ordinary shares of €1 each	-	-

Number of shares	Ordinary shares
On issue at 1 January and 31 December 2022 – fully paid	2

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

Dividends

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

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

19. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see Note 24.

	2022 €000	2021 €000
Non-current liabilities		
Loan from third party	**11,000**	11,000
	11,000	11,000
Current liabilities		
Loan from third party	-	4,000
Net Current Borrowings	-	4,000

Terms and debt repayment schedule

	Currency	Nominal Interest rate	Year of maturity
Inventory financing facility	€	EONIA – 0.15%	2022
Loan from third party	€	Euribor + 1.60%	2024

Loan from third party

In July 2018 INEOS Manufacturing Italia S.P.A entered into a €21,000,000 senior term facility with the Banca Nazionale Del Lavoro S.P.A.. Interest is calculated at the Euribor rate plus 1.60%. INEOS Chemicals France Holdings Limited and INEOS Derivatives France Limited are guarantors of the loan. All outstanding borrowings are required to be repaid by September 2024.

Inventory financing facility

On 17 June 2019 INEOS Derivatives France Limited entered into an inventory monetisation agreement with J Aron & Company LLC ('J Aron'), for an initial term of one year but extendable by mutual agreement, subsequently on 17 June 2020 the agreement was extended to 30 June 2021 and then to 30 June 2022. Under this arrangement, the Group sold certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of J Aron, J Aron provided the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism. The total amount outstanding at 31 December 2022 before issue costs was €Nil *(2021: €50,733,000)*. On 4 January 2022 the facility was transferred to INEOS Olefins S.A., a related party and therefore the outstanding loan at 31 December 2021 was reported as a liability held for sale (see Note 17).

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

20. Lease obligations

	2022	2021
	€000	€000
Analysed as:		
Current lease liabilities	**400**	473
Non-current lease liabilities	**800**	1,066
	1,200	1,539

	2022	2021
	€000	€000
Maturity analysis- contractual undiscounted cash flows:		
Less than one year	**416**	496
Between one and five years	**745**	914
After five years	**78**	189
Total undiscounted lease liabilities at 31 December	**1,239**	1,599

	2022	2021
	€000	€000
Amounts recognised in the statement of cash flows:		
Lease capital payments	**506**	1,310
Lease interest payments	**26**	48
Short-term leases	**36**	35
Total cash outflow for leases	**568**	1,393

The Group leases assets including plant and machinery and transportation, the typical life of the leases vary between 1 to 8 years.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

21. Trade and other payables

	2022	2021
	€000	€000
Current		
Trade payables	**4,591**	16,203
Other payables	**158**	138
Amounts due to related parties *(Note 28)*	**64,206**	104,612
Accruals	**44,772**	62,135
Deferred income	**5,638**	4,365
	119,365	187,453
Non-current		
Accruals	**-**	1,357
Deferred income	**16,304**	16,529
	16,304	17,886

22. Employee benefits

Pension Plan

The Group operates a number of pension plans in France devised in accordance with local conditions and practices. The plans are of a defined benefit type with the majority being unfunded schemes. The funded schemes are funded by payments to separately administered funds or insurance companies.

The most recent full fund valuation of the defined benefit plan was carried out as at 31 December 2022 by independent qualified actuaries.

Pension plan assumptions

The principal actuarial assumptions (expressed as weighted averages or ranges) at the year end were as follows:

	2022	2021
	%	%
Major assumptions:		
Rate of general increase in salaries	**3.40**	3.00
Rate of increase to pension payments	**2.40**	2.00
Discount rate for scheme liabilities	**3.70**	1.00
Inflation	**2.40**	2.00

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

22. Employee benefits *(continued)*

Pension plan assumptions *(continued)*

The assumptions relating to longevity underlying the pension liabilities at the reporting 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:

	2022	2021
	Years	Years
Longevity at age 65 for current pensioners	**24.9 – 28.4**	25 - 28

Sensitivity analysis

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

	2022	2021
	%	%
Discount rate: 1.0% decrease	**12.70**	15.51
Rate of inflation: 0.5% increase	**5.72**	6.68
1 year increase in longevity for a member currently aged 65	**4.63**	5.48

The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where the assumptions are set to be linked to the inflation assumption.

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 1%.

	2022	2021
	€000	€000
Discount rate	**11,273**	18,176
Inflation (RPI, CPI)	**5,080**	7,830

In valuing the liabilities of the pension fund at €88,787,000 *(2021: €117,157,000)*, mortality assumptions have been made as indicated below. 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 would be €91,459,000 *(2021: €121,454,000)* having increased by €2,672,000 *(2021: €4,297,000)* 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 2022 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.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

22. Employee benefits *(continued)*

Pension plan assumptions *(continued)*

History of plan

The history of the plan for the current and prior years is as follows:

Consolidated Balance Sheet

	2022	2021
	€000	€000
Present value of the defined benefit obligation in respect of the pension plans	**88,787**	117,157
Fair value of plan assets	**(100)**	(101)
Deficit	**88,687**	117,056

The Group's net liability in respect of defined benefit obligations is as follows:

	2022	2021
	€000	€000
Net liability for defined benefit obligations	**88,687**	117,056

The Group expects to contribute approximately €66,000 *(2021: €66,000)* to its funded defined benefit plan in the next financial year. This excludes direct company benefit payments and payments in relation to unfunded defined benefit plans.

Consolidated Income Statement

	2022	2021
	€000	€000
Current service cost	**2,655**	3,243
Immediate recognition of actuarial gains on other long term benefits	**(654)**	(152)
Interest cost on defined benefit obligation	**1,147**	644
Interest income on plan assets	**(1)**	(1)
	3,147	3,734

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

22. Employee benefits *(continued)*

The expense is recognised in the following line items in the consolidated income statement:

	2022	2021
	€000	€000
Cost of sales	**2,001**	3,091
Finance cost	**1,146**	643
	3,147	3,734

Pension Plans

	2022	2021
	€000	€000
Present value of funded obligations	**1,580**	1,808
Present value of unfunded obligations	**87,207**	115,349
	88,787	117,157
Fair value of plan assets	**(100)**	(101)
	88,687	117,056

Movements in present value of defined benefit obligation:

	Total
	€000
On 1 January 2021	131,478
Current service cost	3,243
Interest cost on defined benefit obligation	644
Remeasurements:	
Actuarial gain – experience	(8,362)
Actuarial gain – financial assumptions	(4,551)
Disbursements from plan assets	(61)
Disbursements paid directly by employer	(5,234)
At 31 December 2021	117,157
Current service cost	**2,655**
Interest cost on defined benefit obligation	**1,147**
Remeasurements:	
Actuarial loss – experience	**2,803**
Actuarial gain – financial assumptions	**(30,157)**
Disbursements from plan assets	**-**
Disbursements paid directly by employer	**(4,818)**
At 31 December 2022	**88,787**

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

22. Employee benefits *(continued)*

Movement in fair value of plan assets:

	Total €000
On 1 January 2021	170
Interest income on plan assets	1
Remeasurements:	
Return on plan assets less than discount rate	(9)
Employer contributions	5,234
Disbursements	(5,295)
At 31 December 2021	101
Interest income on plan assets	**1**
Remeasurements:	
Return on plan assets less than discount rate	**(2)**
Employer contributions	**4,818**
Disbursements	**(4,818)**
At 31 December 2022	**100**

The fair value of the plan assets were as follows:

	2022 €000	2021 €000
As at 31 December		
Equities	**100**	101
Total plan assets	**100**	101

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

Defined Contribution Plans

The Group operates a number of defined contribution pension plans. The total expenses relating to these plans in the current year were €599,000 *(2021: €554,000)*.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

23. Provisions

	Severance and restructuring €000	Other €000	Total €000
On 1 January 2021	644	246	890
Provisions made during the year	511	375	886
Provisions utilised during the year	(195)	-	(195)
At 31 December 2021	960	621	1,581
Provisions made during the year	**274**	**56**	**330**
Provisions utilised during the year	**(37)**	**(107)**	**(144)**
At 31 December 2022	**1,197**	**570**	**1,767**
Non-current	960	-	960
Current	-	621	621
At 31 December 2021	960	621	1,581
Non-current	**1,197**	**-**	**1,197**
Current	**-**	**570**	**570**
At 31 December 2022	**1,197**	**570**	**1,767**

Severance and restructuring

The severance and restructuring provisions relate to an early retirement scheme and severance costs in INEOS Polymers Sarralbe SAS and INEOS Chemicals Lavera SAS. These provisions are reviewed each year.

Other provisions

Other provisions relate to the risk of additional social security contributions payable by INEOS Chemicals Lavera SAS.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

24. Financial instruments

24.a) Fair values of financial instruments

Investments in debt and equity securities

The fair value of financial assets at fair value through profit or loss is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial assets at fair value through comprehensive income are accounted for at fair value based on the present value of future cash flows where such information is readily available based on the present value of future cash flows estimated from financial information made available during the year as a result of a recent transaction in the investment. However, as explained in Note 14, the Group's financial assets at fair value through comprehensive income include certain equity interests which are not quoted and for which there is no active market. In these circumstances, in the absence of reliable information, the Group considers that a reliable determination of fair value is not practicable and recording them at fair value instead of their acquisition cost will not materially change the value of the investment so no separate fair valuation is performed on these investments, although this is reviewed annually.

Trade and other receivables

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Trade and other payables

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date. The fair value of finance leases is determined by reference to market rates for similar lease agreements. The fair value of the related party loans is the same as the carrying value.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.a) Fair values of financial instruments *(continued)*

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

	2022	
	Carrying amount €000	**Fair value €000**
Financial assets at fair value through other comprehensive income		
Equity investments	**900**	**900**
Financial assets held at amortised cost:		
Trade receivables	**872**	**872**
Other receivables	**7,999**	**7,999**
Amounts due from related parties	**86,427**	**86,427**
Loans to related parties	**296,050**	**296,050**
Cash and cash equivalents	**2,248**	**2,248**
Total financial assets	**394,496**	**394,496**
Financial liabilities carried at amortised cost:		
Trade payables	**(4,591)**	**(4,591)**
Other payables	**(158)**	**(158)**
Amounts due to related parties	**(64,206)**	**(64,206)**
Loans due to third parties	**(11,000)**	**(11,000)**
Lease liabilities	**(1,200)**	**(1,200)**
Total financial liabilities	**(81,155)**	**(81,155)**

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.a) Fair values of financial instruments *(continued)*

Fair values(continued)

	2021	
	Carrying amount €000	Fair value €000
Financial assets at fair value through other comprehensive income		
Equity investments	918	918
Financial assets held at amortised cost:		
Trade receivables	3,614	3,614
Other receivables	7,404	7,404
Amounts due from related parties	106,689	106,689
Loans to related parties	237,507	237,507
Cash and cash equivalents	18,038	18,038
Total financial assets	374,170	374,170
Financial liabilities carried at amortised cost:		
Trade payables	(16,203)	(16,203)
Other payables	(138)	(138)
Amounts due to related parties	(104,612)	(104,612)
Loans due to third parties	(15,000)	(15,000)
Lease liabilities	(1,539)	(1,539)
Total financial liabilities	(137,492)	(137,492)

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.b) Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of discounts, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from receivables and loans relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of discounts, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

No gains or losses on items measured at fair value have been recognised in the income statement in respect of fair values determined based on a level 3 valuation technique using non-observable inputs.

The following tables show the gross gains and losses during the year and on which financial instruments they arose:

	Financial assets held at amortised cost	
	2022	2021
	€000	€000
Finance income	**13,954**	8,949
Exchange gains	**1**	-
Net result	**13,955**	8,949
Carrying value at 31 December	**393,596**	373,252

	Liabilities measured at amortised cost	
	2022	2021
	€000	€000
Finance cost	**(779)**	(1,412)
Net result	**(779)**	(1,412)
Carrying value at 31 December	**(81,155)**	(137,492)

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.c) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and deposits with financial institutions.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Investments, cash and cash equivalents

Surplus cash investments are only made with banks with which the Group has a relationship.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk are given in Note 13.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.d) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial year.

Refer to Note 19 for detailed information on the loans.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

			2022			
	Carrying amount €000	**Contractual cash flows €000**	**1 year or less €000**	**1 to <2 years €000**	**2 to <5 years €000**	**5 years and over €000**
Non derivative financial liabilities						
Trade payables	(4,591)	(4,591)	(4,591)	-	-	-
Other payables	(158)	(158)	(158)	-	-	-
Amounts due to related parties	(64,206)	(64,206)	(64,206)	-	-	-
Loans due to third parties	(11,000)	(11,261)	(4,152)	(4,088)	(3,021)	-
Lease liabilities	(1,200)	(1,239)	(416)	(270)	(475)	(78)
	(81,155)	**(81,455)**	**(73,523)**	**(4,358)**	**(3,496)**	**(78)**

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.d) Liquidity risk *(continued)*

	2021					
	Carrying amount €000	Contractual cash flows €000	1 year or less €000	1 to <2 years €000	2 to <5 years €000	5 years and over €000
Non derivative financial liabilities						
Trade payables	(16,203)	(16,203)	(16,203)	-	-	-
Other payables	(138)	(138)	(138)	-	-	-
Amounts due to related parties	(104,612)	(104,612)	(104,612)	-	-	-
Loans due to third parties	(15,000)	(15,477)	(4,216)	(4,152)	(7,109)	-
Lease liabilities	(1,539)	(1,599)	(496)	(369)	(545)	(189)
	(137,492)	(138,029)	(125,665)	(4,521)	(7,654)	(189)

24.e) Market risk

Financial risk management

Market risk reflects the possibility that changes in market prices, such as feedstocks, chemicals or currency exchange rates or changes in interest rates will adversely affect the value of the Group's assets, liabilities or expected future cash flows.

Market risk - Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Sterling.

Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

A substantial portion of the Group's revenue is generated in, or linked to the Euro. Product prices, certain feedstock costs and most other costs are denominated in US Dollar, Sterling and Euro.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group may do so in the future.

The foreign currency exposure where the Group's financial assets/(liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement/ other comprehensive income of the Group.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.e) Market risk *(continued)*

	2022	2021
	€000	€000
US dollars	**(75)**	1,014
Sterling	**(8)**	1,951
Other	**(12)**	(807)
	(95)	2,158

Sensitivity analysis

A 10% weakening of the following currencies at 31 December would have decreased equity and increased the loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative year.

Market risk - Foreign currency risk

	Profit or loss	
	2022	2021
	€000	€000
US dollars	**(8)**	101
Sterling	**(1)**	195
Other	**(1)**	(81)
	(10)	215

A 10% strengthening of the above currencies against the Euro at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

24. Financial instruments *(continued)*

24.e) Market risk *(continued)*

Market risk – Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2022	2021
	€000	€000
Carrying amount of financial instruments		
Fixed rate instruments		
Financial assets	**296,050**	237,507
Financial liabilities	**(1,200)**	(1,539)
	294,850	235,968
Variable rate instruments		
Financial assets	**2,248**	18,038
Financial liabilities	**(11,000)**	(15,000)
	(8,752)	3,038

Market risk – Commodity price risk

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of feedstocks and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

24.f) Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €386,668,000 at 31 December 2022 *(2021: €355,596,000)* as shareholders' equity of €395,420,000 *(2021: €352,558,000)* and net debt of €8,752,000 *(2021: net cash €3,038,000)*.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

25. Capital commitments

Outstanding capital expenditure on property, plant and equipment authorised by the Board and for which contracts had been placed as at 31 December 2022 by the Group amounted to approximately €nil *(2021: €4,436,000).*

26. Contingencies

In 2021, the Guardia di Finanza - Economic-Financial Police Unit of Livorno - (hereinafter "GdF") subjected INEOS Manufacturing Italia SpA to a tax audit on direct taxes for the years 2016 and 2017. This audit was concluded on 6 February 2022 with the notification of a notice of inspection (Processo Verbale di Constatazione hereinafter "PVC") containing Transfer Price adjustments related to FY16 and FY17. On 20 December 2022, the Company received an invitation to appear from the Revenue Agency for the year 2016. The Directors, also supported by the opinion of the tax consultant, believe they have sufficient and well-founded elements to be able to defend their position, consequently these financial statements do not reflect any allocation relating to this invitation to appear for the year 2016 and the disputes of the PVC for the year 2017.

27. Reconciliation of net cash flow to movement in net debt

	2022 **€000**	2021 €000
Decrease in cash and cash equivalents in the year	(22,531)	(3,355)
Cash outflow /(inflow) from change in debt financing	5,557	(21,053)
Change in net debt resulting from cash flows	(16,974)	(24,408)
Other net non-cash transactions	5,184	51,174
Movements in net debt in year	**(11,790)**	26,766

	1 Jan 2022 **€000**	**Cash flow** **€000**	**Non-cash changes** **€000**	**31 Dec 2022** **€000**
Cash at bank in hand	**18,038**	**(22,531)**	**6,741**	**2,248**
Debt due within one year	**(4,000)**	**5,557**	**(1,557)**	**-**
Debt due after more than one year	**(11,000)**	**-**	**-**	**(11,000)**
	3,038	**(16,974)**	**5,184**	**(8,752)**

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2022

27. Reconciliation of net cash flow to movement in net debt *(continued)*

	1 Jan 2021 €000	Cash flow €000	Non-cash changes €000	31 Dec 2021 €000
Cash at bank in hand	20,917	(3,355)	476	18,038
Debt due within one year	(29,645)	(25,053)	50,698	(4,000)
Debt due after more than one year	(15,000)	4,000	-	(11,000)
	(23,728)	(24,408)	51,174	3,038

28. Related parties

Related party transactions

Related parties comprise:

- Parent entity, their subsidiaries, associates and joint ventures not included within the INEOS Chemicals France Holdings Limited Group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent Company of INEOS Chemicals France Holdings Limited Group; including INEOS AG, an entity with significant influence; and
- Key management personnel.

Mr J A Ratcliffe, Mr A C Currie and Mr J Reece are the shareholders of INEOS Limited. INEOS AG, a subsidiary of INEOS Limited, provides operational management services to the Group through a management services agreement. INEOS Limited management fees of €nil *(2021:€2,246,000)* were charged to the income statement during the year ended 31 December 2022.

A loan was made to INEOS Holdings Luxembourg S.A. and there was an outstanding balance at 31 December 2022 of €295,380,000 *(2021: €236,747,000)*. Interest income from this loan during the year amounted to €13,594,000 *(2021: €8,810,000)*. The loan matures during 2025 and bears interest at 4.5%.

INEOS Limited owns and controls a number of operating subsidiaries, associates and joint ventures that are not included in the INEOS Chemicals France Holdings Limited Group, including the INEOS Group Holdings S.A. group, INEOS Industries Limited group and INEOS Enterprises Holdings Limited group. During the year ended 31 December 2022 the Group has made sales to these subsidiaries, associates and joint ventures of €241,181,000 *(2021: €1,018,000)*; recovered costs of €8,979,000 *(2021: €260,682,000)*; incurred costs of €43,238,000 *(2021: €78,262,000)* and made purchases of €nil *(2021: €493,862,000)*.

The Group has incurred interest charges of €485,000 *(2021: €17,000)* and received interest of €360,000 *(2021: €140,000)* from subsidiaries, associates and joint ventures during the year ended 31 December 2022.

At 31 December 2022 €86,427,000 *(2021: €106,689,000)* and a loan of €670,000 *(2021:€760,000)* was owed by these subsidiaries, associates and joint ventures and €64,206,000 *(2021: €104,612,000)* was owed to these subsidiaries, associates and joint ventures. All of the above transactions were in the ordinary course of business.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

28. Related parties *(continued)*

Compensation to key management personnel (including directors)

The Group defines key management as the directors of the Company. None of the directors received any fees or remuneration for services as a director of the Group during the financial year. 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 Group.

29. Ultimate parent undertaking and controlling party

The immediate parent undertaking is INEOS Holdings Luxembourg S.A., a company incorporated in Luxembourg, and the ultimate parent undertaking at 31 December 2022 was INEOS Limited, a company incorporated in the Isle of Man.

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking, INEOS Limited.

30. 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.

Critical judgements in applying the Group'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.

Post-retirement benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are 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 including the major actuarial assumptions and the sensitivity of the post-retirement benefits to the assumptions are set out in Note 22, pension plan assumptions.

Notes to the Consolidated Financial Statements *(continued)*
for the year ended 31 December 2022

30. Accounting estimates and judgements *(continued)*

Impairment tests for goodwill and other non-financial assets

Goodwill impairment testing is performed annually or of there is an indication of impairment. Goodwill impairment tests are based on cash generating units and compare the recoverable amount of the unit with the respective carrying amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. The value in use is determined using a discounted cash flow method, considering earnings forecast of the unit. The management of the Group identified the operating segments as cash generating units ("CGUs") for the purposes of testing goodwill for impairment. Each unit or group of units to which goodwill is allocated to shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The goodwill is internally monitored at the level of business units.

Intangible assets other than goodwill assets and property, plant and equipment are generally valued at cost less amortisation. Impairment losses on intangible assets and property, plant and equipment are recognised when the recoverable amount of the cash generating unit which includes the asset is lower than the respective carrying amount. In accordance with the definition of a cash generating unit under IAS 36, the individual production plants generally do not represent separate cash generating units, but are part of larger asset groups that form the cash generating units.

Since assessment whether goodwill or a non-financial asset is impaired is based on long-term business plans for the cash generating units and the determination of an appropriate discount rate, management uses significant estimates and assumptions in making these assessments. Details on the estimates used for the goodwill impairment test are disclosed in Note 11.

31. Subsequent events

On 9 March 2023, INEOS Chemicals France Limited was dissolved, this had no financial impact to the Group.

Section 3 – Company Financial Statements

Company Balance Sheet
as at 31 December 2022

	Note(s)	2022 €000	2021 €000
Fixed assets			
Investments	5	268,637	268,637
Total fixed assets		268,637	268,637
Current assets			
Debtors	6	22,899	19,236
Total current assets		22,899	19,236
Creditors: amounts falling due within one year	7	(1,508)	(1,501)
Net current assets		21,391	17,735
Total assets less current liabilities		290,028	286,372
Creditors: amounts falling due after more than one year	8,9	(402,930)	(383,147)
Net liabilities		(112,902)	(96,775)
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account *		(112,902)	(96,775)
Total shareholders' deficit		(112,902)	(96,775)

* The Parent Company recorded a loss after tax for the year of €16,127,000 *(2021: loss of €16,849,000).*

The notes on pages 76 to 82 are an integral part of these Company financial statements.

The financial statements on pages 74 to 82 were approved by Board of Directors on 28 June 2023 and signed on its behalf by:

G W Leask
28 June 2023
Registered number 08675590

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

	Called up share capital €000	Profit and loss account €000	Total share-holders' deficit €000
Balance at 1 January 2021	-	(79,926)	(79,926)
Loss for the year	-	(16,849)	(16,849)
Balance at 31 December 2021	-	(96,775)	(96,775)
Loss for the year	-	**(16,127)**	**(16,127)**
Balance at 31 December 2022	-	**(112,902)**	**(112,902)**

The notes on pages 76 to 82 are an integral part of these Company financial statements.

Notes to the Company Financial Statements
for the year ended 31 December 2022

1. Accounting policies

1.1 Overview

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

1.2 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, on a going concern basis and under the historical cost accounting rules.

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The Company financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using Financing Reporting Standard 101 *Reduced Disclosure Framework* ("FRS101").

These financial statements were prepared in accordance with Financing Reporting Standard 101 *Reduced Disclosure Framework* ("FRS101").

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;
- Financial instrument disclosures as required by IFRS 7;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the Company's financial statements.

Judgements made by the directors, in the application of these accounting policies that have had a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 12.

1.3 Measurement convention

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

Notes to the Company Financial Statements *(continued)*
for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.4 Going Concern

The Company financial statements have been prepared on a going concern basis and approved by the Board of Directors in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

The Company meets its day to day working capital requirements through its intercompany loan and external financing facility, along with cash generated by its subsidiaries. The Company held cash balances of €nil at 31 December 2022 *(2021: €nil)* and loans and borrowings of €402,930,000 at 31 December 2022 *(2021: €383,147,000)*. The directors have considered the Company's projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Company will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements. The directors have received confirmation that INEOS Olefins SA will continue to support the Company for at least the 12 months from signing of these financial statements.

On the basis of this assessment the Directors have concluded that the Company can operate within its current facilities for a period of at least 12 months from the date of this report. Therefore, these financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

1.5 Functional and presentation currency

These Company financial statements are presented in euro, which is the functional currency of the majority of operations. The exchange rate as at 31 December 2022 was €1:£0.88490 *(2021 €1:£0.83960)*.

All financial information presented in euro has been rounded to the nearest €1,000.

1.6 Impact of new standards and interpretations

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

Notes to the Company Financial Statements *(continued)*
for the year ended 31 December 2022

1. Accounting policies *(continued)*

1.7 Investments

Shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto, less any accumulated impairment loss.

The Company applies IFRS 9, including the impairment requirements, to long-term interests in other group undertakings to which the equity method is not applied and which form part of the net investment. Furthermore, in applying IFRS 9 to long-term interests, the Company does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28)'.

1.8 Non-derivative financial instruments

Non-derived financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade debtors satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss.

Trade and other creditors

Trade and other creditors are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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 as amortised cost using the effective interest method.

1.9 Impairment of financial assets

Trade and other debtors

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

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

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

Notes to the Company Financial Statements *(continued)*
for the year ended 31 December 2022

2. Auditor's remuneration

	2022 €000	2021 €000
Audit of these financial statements	**43**	33

3. Staff numbers and costs

There was no *(2021:no)* employees with contracts of employment in the name of the company.

4. Directors' remuneration

None *(2021: none)* of the directors received any fees or remuneration for services as a director of the Company during the financial year. The Directors are remunerated for their qualifying services by another group company for contributions to the group as a whole and not possible to apportion this to the company.

5. Investments

The subsidiary and undertakings of the Company at 31 December 2022 and the percentage of equity share capital held are set out below. The principal country of operation is generally indicated by the Company's country of incorporation or by its name.

Name	Address of the registered office	Class of shares held	Ownership 2022	Ownership 2021
INEOS Chemicals France Limited	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG	Ordinary	100%	100%
INEOS Derivatives France Limited	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG	Ordinary	100%	100%
INEOS Chemicals Lavera SAS	Avenue de la Bienfaisance, BP6 3117, Lavera, France	Ordinary	100%	100%
INEOS Polymers Sarralbe SAS	Rue Ernest Solvay, Sarralbe, France	Ordinary	100%	100%
INEOS Manufacturing Italia SpA	Via Piave, Rosignano (Livorno), frazione di Rosignano, Italy	Ordinary	100%	100%

On the date of approval and signing of the consolidated financial statements, as set out on page 19, the outstanding liabilities at the balance sheet date, 31 December 2022, of INEOS Chemicals France Limited and INEOS Derivatives France Limited were guaranteed by the parent undertaking, INEOS Chemicals France Holdings Limited (registered number 08675590) pursuant to S479A of the Companies Act.

INEOS Chemicals France Limited is a dormant company. INEOS Chemicals Lavera SAS, INEOS Polymers Sarralbe SAS and INEOS Manufacturing Italia SpA are "Toll Manufacturers". INEOS Derivatives France Limited is an "Entrepreneur". INEOS Chemicals France Limited was placed into voluntary liquidation in July 2021 and was formally dissolved on 9 March 2023. This had no financial impact to the Group.

	€000
Shares in subsidiaries	
As at 31 December 2021 and 31 December 2022	**268,637**

Notes to the Company Financial Statements *(continued)*

for the year ended 31 December 2022

6. Debtors

	2022 €000	2021 €000
Amounts due from group undertakings	**18,200**	14,537
Other taxes receivable	**4,699**	4,699
	22,899	19,236
Due within one year	**22,899**	19,236

7. Creditors: amounts falling due within one year

	2022 €000	2021 €000
Amounts due to group undertakings	**1,468**	1,468
Accruals	**40**	33
	1,508	1,501

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

8. Creditors: amounts falling due after more than one year

	2022 €000	2021 €000
Amounts due to group undertakings *(Note 9)*	**402,930**	383,147
	402,930	383,147

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

9. 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.

	2022 €000	2021 €000
Creditors falling due after more than one year		
Intercompany loan	**402,930**	383,147

Notes to the Company Financial Statements *(continued)*
for the year ended 31 December 2022

9. Interest-bearing loans and borrowings *(continued)*

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2022 €000	Carrying amount 2022 €000	Face Value 2021 €000	Carrying amount 2021 €000
Intercompany loan	€	5% + LIBOR	2024	402,930	402,930	383,147	383,147
				402,930	402,930	383,147	383,147

10. Called up share capital

	2022 €000	2021 €000
Authorised, allotted, called up and fully paid		
2 *(2021:2)* ordinary shares of €1 each	-	-

Number of shares	**Ordinary shares**
On issue at 1 January and 31 December 2022 – fully paid	2

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.

Dividends

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

11. Related Parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. 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.

Notes to the Company Financial Statements *(continued)*

for the year ended 31 December 2022

12. Accounting estimates and judgements

The Company prepares its financial statements in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework", 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 expense. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.

13. Ultimate parent undertaking and controlling party

The immediate parent undertaking is INEOS Holdings Luxembourg S.A. and the ultimate parent undertaking at 31 December 2022 was INEOS Limited, a company incorporated in the Isle of Man.

The only group in which the results of the Company are consolidated is that headed by INEOS Chemicals France Holdings Limited.

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking, INEOS Limited.

14. Subsequent events

On 9 March 2023, INEOS Chemicals France Limited was dissolved, this had no financial impact to the Group.