
INEOS Solvents UK Limited

Annual report and financial statements

Registered number 09724714

31 December 2021

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Strategic report

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

Principal activities

The Company acts as a limited risk distributor in the selling of industrial solvents and related products sold on behalf of other INEOS Solvents companies, for which it receives a commission.

Review of the business

Revenue for the year totalled €41.7 million (2020: €32.5 million) and represents the sale of solvents chemical end products in the course of normal, continuing operations. The increase of €9.2 million in the year ended 31 December 2021 is driven by higher local demand. Operations generated a profit before tax of €0.1 million (2020: €0.1 million), consistent with prior year performance. The net assets of the Company increased from €0.5 million to €0.6 million, primarily as a result of retained profits for the year of €0.1 million.

Future developments

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

Principal risks and uncertainties

Due to the simple nature of the Company its principal risks and uncertainties are limited. However, operating within the wider INEOS Group means that the business activities are subject to typical risks associated with chemical manufacture. Chemical manufacture operations mean that the business is exposed to risks from changing market demand, adverse changes to raw material prices and increases in competition. These risks are expected for a European Chemicals manufacturer and are continually monitored through reference to our financial performance and where appropriate through the use of hedging instruments to secure margin. Operating within the Chemical Industry, our businesses are highly regulated, with Environmental, Health and Safety laws and regulations governing our operations and providing our licence to operate. The Company places compliance with these laws and regulations as the number one priority and has a “best in class” reputation within the industry.

Section 172 (1) statement

The directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment.

The Company’s governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Company’s long-term success. In the performance of its duty to promote the success of the Company and fairness in decision making the Board have regard (amongst other matters) for:

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

As the subsidiary of INEOS Enterprises Holdings Limited all stakeholder considerations are managed at a group level. Further detail of policies in relation to the section 172(1) duties can be found in the Annual report and financial statements of INEOS Enterprises Holdings Limited which may be obtained from the company secretary at the registered office: Anchor House 15-19 Britten Street, Chelsea, London, SW3 3TY, United Kingdom.

Strategic report *(continued)*

Key performance indicators (KPI's)

The main financial KPI for the business is earnings before interest, tax, depreciation, amortisation and exceptional items, measured under IFRS ("EBITDA before exceptional items"). EBITDA before exceptional items for the Company for the year ending 31 December 2021 was €0.1 million (2020: €0.1 million).

Given the straightforward nature of the business (acting as a Limited Risk Distributor), the Company's directors are of the opinion that analysis using additional KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Group, which includes the Company, are discussed in the Group's annual report which does not form part of this report.

Approved and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'A Brown', written over a horizontal line.

A Brown
Director
10 June 2022

Directors' report

The directors present their annual report and the audited financial statements the Company for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is to act as a limited risk distributor (LRD) for industrial solvents and related products sold on behalf of other INEOS group companies, for which it receives a commission.

Review of the business

Results of the business is discussed in the strategic report on page 1.

Dividends

During the year the Company did not pay a dividend (2020: €nil). No dividends are proposed.

Future developments

As noted in the Strategic report, the directors consider that the Company is well placed and business will continue with the current principal structure.

Donations

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

Directors

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

A Brown
A Hogan
J Nicolson

Going concern and COVID-19

COVID-19

The COVID-19 pandemic has had limited impact on the operations of the Company due to its simple nature of acting as a financing intermediary. However, 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.

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

Going Concern

The Company 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 2021 and with the Companies Act as applicable to companies using Adopted IFRSs. As at 31 December 2021, the Company had net current assets of €0.6 million (2020: €0.5 million), net assets of €0.6 million (2020: €0.5 million) and the Company held cash and cash equivalents of €0.4 million (2020: €2.1 million). The profit for the year was €0.1 million (2020: €0.1 million), arising primarily from continuing trade in the normal course of business. 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.

Directors' report (continued)

Going Concern (continued)

On the basis of this assessment together with net assets of €0.6 million as at December 31, 2021 (2020: €0.5 million) 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.

Financial risk management

The Company's operations expose it primarily to liquidity, credit 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 Company is funded internally by the INEOS Solvents group and therefore has no direct exposure to liquidity or debt market risk. As the Company is a subsidiary of INEOS Enterprises Holdings Limited all risks are managed at a Group level. Further detail of policies in relation to external financial risks can be found in the Annual report and financial statements of INEOS Enterprises Holdings Limited which may be obtained from the Company Secretary at: Anchor House, 15-19 Britten Street, Chelsea, London, SW3 3TY, United Kingdom.

Health and safety

The Company continually strives to meet, and where possible, exceed strict health, safety and environmental performance targets. It is committed to continuous improvement in all aspects of its operations. Through its Safety, Health, Environment Quality ("SHEQ") Policy, the Company aims to be amongst the chemical industry leaders in health, safety, environmental protection and customer satisfaction, ensuring our products meet society's increasing environmental requirements. Specifically, the Company works to two guiding principles. The first being to protect the health and safety of its employees; the communities in which it operates; and the users of its products. Secondly, the Company seeks to minimise the effects on the environment from its operations; storage; transport; use and disposal of its products. The Company manages SHE as an integral part of its activities through a formal management system. This includes defining SHE standards and targets and monitoring of performance against them.

It requires all members of staff (and others who work on its behalf) to adhere to the standard in the SHE Management System and to exercise personal responsibility to prevent harm to themselves, others and the environment. Comprehensive SHE information and training are provided to all employees, with SHE objectives set for every individual each period through the performance appraisal process. SHE targets also feature in the Group's discretionary Business Bonus Scheme.

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' report (continued)

Directors' responsibilities statement (continued)

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial asset may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- (i) so far as each director is aware, there is no relevant audit information of which the Company's auditor are unaware.
- (ii) each director has taken all the steps that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

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

Independent auditor

Deloitte LLP have expressed their willingness to continue in office as auditor pursuant to Section 485-488 of the Companies Act 2006. Appropriate arrangements have been put in place for them to be deemed reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

Registered address

Anchor House,
15-19 Britten Street,
Chelsea, London,
SW3 3TY,
United Kingdom

Approved and signed on behalf of the Board



A Brown
Director
10 June 2022

Independent Auditors' report to the members of INEOS Solvents UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of INEOS Solvents UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity and
- the related notes 1 to 12.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent Auditors' Report to the members of INEOS Solvents UK Limited (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

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

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

Independent Auditors' Report to the members of INEOS Solvents UK Limited (continued)

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

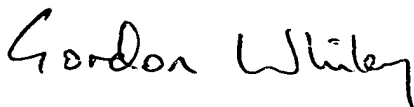
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Gordon Whiley, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
10 June 2022

Income Statement
for the year ended 31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		€m	
Revenue	2	41.7	32.5
Cost of sales		<u>(41.6)</u>	<u>(31.6)</u>
Gross profit		0.1	0.9
Administrative expenses		<u>-</u>	<u>(0.8)</u>
Profit before taxation	3	0.1	0.1
Tax on profit	4	<u>-</u>	<u>-</u>
Profit for the financial year		<u>0.1</u>	<u>0.1</u>

All activities of the Company relate to continuing operations.

The Company has no recognised other comprehensive income and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 12 to 17 are an integral part of these financial statements.

**Statement of Financial Position
at 31 December 2021**

	Note	2021	2020
Current assets		€m	
Debtors	6	7.7	4.9
Cash and cash equivalents		0.4	2.1
Total assets		8.1	7.0
Creditors: amounts falling due within one year	7	(7.5)	(6.5)
Net current asset		0.6	0.5
Net assets		0.6	0.5
Capital and reserves			
Called up share capital	8	-	-
Retained earnings		0.6	0.5
Total shareholders' funds		0.6	0.5

The notes on pages 12 to 17 are an integral part of these financial statements.

These financial statements on pages 9 to 17 were authorised and approved by the board of directors on 10 June 2022 and were signed on its behalf by:



A Brown
Director

Company registered number: 09724714

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

	<u>Called up share capital</u>	<u>Retained earnings</u>	<u>Total shareholders' funds</u>
		€m	
Balance at 1 January 2020	-	0.4	0.4
Profit for the financial year	-	0.1	0.1
Total comprehensive income	-	0.1	0.1
Balance at 31 December 2020	-	0.5	0.5
Profit for the financial year	-	0.1	0.1
Total comprehensive income	-	0.1	0.1
Balance at 31 December 2021	-	0.6	0.6

The notes on pages 12 to 17 are an integral part of these financial statements.

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

1 Accounting policies

INEOS Solvents UK Limited (the “Company”) is a private Company limited by shares, incorporated, registered, and domiciled in England, UK with a registered office of Anchor House, 15-19 Britten Street, Chelsea, London, SW3 3TY, United Kingdom. The nature of the operations of the Company is to act as a limited risk distributor, selling industrial solvents and related products on behalf of another INEOS Group Company, for which it receives a commission.

Basis of Accounting

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 Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

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

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of the parent undertaking, INEOS Enterprises Holdings Limited. The consolidated financial statements of INEOS Enterprises Holdings Limited, are prepared in accordance with the Companies Act 2006 and IFRS and are available to the public and may be obtained from the Company Secretary at Anchor House, 15-19 Britten Street, Chelsea, London, SW3 3TY, United Kingdom. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of financial instruments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

- Certain disclosures required by *IFRS 13 Fair Value Measurement* and the disclosures required by *IFRS 7 Financial Instrument Disclosures*;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of *IFRS 15 Revenue from Contracts with Customers*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements under the historic cost convention.

Functional and presentation currency

These Company financial statements are presented in euro which is the functional currency. Transactions in foreign currencies are translated to the Company’s functional currency of euro at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

1 Accounting policies (continued)

Going concern

The Company 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 2021 and with the Companies Act as applicable to companies using Adopted IFRSs. As at 31 December 2021, the Company had net current assets of €0.6 million (2020: €0.5 million), net assets of €0.6 million (2020: €0.5 million) and the Company held cash and cash equivalents of €0.4 million (2020: €2.1 million). The profit for the year was €0.1 million (2020: €0.1 million), arising primarily from continuing trade in the normal course of business. 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.

On the basis of this assessment together with net assets of €0.6 million as at December 31, 2021 (2020: €0.5 million) 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.

New standards, amendments and IFRIC interpretations

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

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Non-derivative financial instruments comprise trade and other receivables, 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 meet the cash flow characteristics and business model tests 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.

Revenue

Revenue represents the invoiced value of products 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 and energy prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are either 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. The Company acts as a limited risk distributor in the selling of industrial solvents and related products sold on behalf of other INEOS Solvents companies, for which it receives a commission.

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, 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 balance sheet date, and any adjustment to tax payable in respect of previous years. A provision is recognised for those matters for which the tax determination is uncertain but is considered probable that there will be a future outflow of funds.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Revenue

	2021	2020
	€m	
Geographical information by location of customers:		
UK	41.7	32.5

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers. All revenue relates to the normal operations of the Company, being the sale of industrial solvents and related products on behalf of other INEOS Group companies.

3 Profit before taxation

Included in profit before taxation are the following:

	2021	2020
	€m	
Raw materials, consumables and work in progress recognized as cost of sales	41.6	31.6
Other administrative expense	0.1	0.3
Currency translation effect	(0.1)	0.5
	41.6	32.4

Auditors' remuneration for the audit of these financial statements amounted to € 41,261 (2020: €49,433).

4 Tax on profit

Recognised in the Income Statement

	2021	2020
	€m	
Current year expense	-	-

Tax charge for the year is the same as the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19%. As explained below:

Reconciliation of effective tax rate

	2021	2020
	€m	
Profit before tax	0.1	0.1
Tax on profit using the UK corporation tax rate of 19% (2020: 19%)	-	-
Effect of change in tax rates	-	-
Total taxation charge	-	-

The Finance Act 2021 included legislation to increase the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. For IFRS purposes, this rate was enacted when the Finance Bill 2021 passed by the House of Commons in May 2021. The Company has no provided or unprovided deferred tax as at 31 December 2021 (2020: €nil).

5 Staff costs and directors' remuneration

The Company had no employees during the current or comparative year.

The directors are not employed directly by the Company and did not receive any emoluments in respect of their services to the Company (2020: nil). No directors have benefits accruing under a defined benefit pension scheme with respect to the Company (2020: nil). The Company does bare the cost of a management charge from its parent INEOS Enterprises Holdings Limited which in part covers the cost of services provided by its directors. This management charge cannot be allocated to specific services for the directors of the Company.

6 Debtors

	2021	2020
	€m	
Trade debtors	1.3	-
Amounts due from group undertakings	6.4	4.9
	7.7	4.9

Amounts due from group undertakings are unsecured, interest free and are either subject to standard trading terms or are payable on demand.

7 Creditors: amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	€m	
Amounts due to group undertakings	6.0	4.1
Accruals and deferred income	1.4	2.3
Corporate tax payable	0.1	0.1
	<u>7.5</u>	<u>6.5</u>

Amounts due to group undertakings are unsecured, interest free and are either subject to standard trading terms or are repayable on demand.

8 Called up share capital

	<u>2021</u>	<u>2020</u>
	€	
Allotted, called up and fully paid		
1 (2020: 1) Ordinary share of £1.00 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

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

9 Related parties

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

10 Controlling parties

The Company is a subsidiary undertaking of INEOS Solvents SA which is the immediate parent company, incorporated in Switzerland. The ultimate parent company is INEOS Limited, a company incorporated in Isle of Man.

The smallest and largest group in which the results of the Company are consolidated is that headed by INEOS Enterprises Holdings Limited, incorporated in England and Wales. The consolidated financial statements of INEOS Enterprises Holdings Limited can be obtained from the Company Secretary, INEOS Enterprises Holdings Limited, Anchor House, 15-19 Britten Street, Chelsea, London, SW3 3TY, United Kingdom, which is also the registered address.

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.

11 Accounting estimates and judgements

The Company prepares its financial statements in accordance with FRS101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.

12 Contingencies

The Company is party to a Senior Secured Term Loans agreement dated 30 August 2019. The Senior Secured Term Loans outstanding indebtedness at 31 December 2021 was €1,306.5 million (2020: €1,321.1 million). The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company.