

---

# **INEOS Composites Limited**

**Annual Report and Financial Statements**

**Registered number 11506805**

**31 December 2022**

---

SATURDAY



\*ACE40402\*

A20

14/10/2023

#97

COMPANIES HOUSE

## **Contents**

Directors' Report	2
Income Statement for the year ended 31 December 2022	5
Balance Sheet as at 31 December 2022	6
Statement of Changes in Equity for the year ended 31 December 2022	7
Notes to the Financial Statements for the year ended 31 December 2022	8

## **Directors' report**

The directors present their annual report and the financial statements of INEOS Composites Limited ("Company") for the year ended 31 December 2022 and the comparative year ended 31 December 2021. The directors have taken advantage of the small companies' exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic report.

## **Principal activities**

The Company complies with UK REACH regulation status in the United Kingdom for the Composites business. The Company previously sold butanediol and Composites chemicals to end producers in the United Kingdom under a distribution agreement that ended on 31 December 2020. As a result of the implementation of the new UK REACH regulations the Company is expected to be used as a distributor for Composites chemicals in the future, but the timing of this remains uncertain. The Company also forms part of the group of companies referred to as INEOS Enterprises Holdings Limited (the "Group"), which operates within the wider INEOS Group.

## **Review of the business**

The results of the Company are set out in the income statement which shows revenue of £nil for the year (2021: £717) and a profit before taxation of £7,917 for the year (2021: loss before taxation of £43,561). Performance is measured based on earnings before interest, tax, depreciation, amortisation, and exceptional items, "EBITDA before exceptional items". EBITDA before exceptional items for the year was £7,917 (2021: loss of £33,051). As a result of the end of the distribution agreement in 2020, Composites chemicals are now sold directly to customers in the United Kingdom from Composites manufacturing sites in Europe and the operations in the income statement continue to be classified as discontinued.

## **Dividends**

During the year the Company paid no cash dividends (2021: £nil). No dividend payments are proposed (2021: £nil).

## **Donations**

The Company made no charitable donations (2021: £nil) and no political contributions (2021: £nil) during the 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 chemicals manufacturer and are continually monitored through reference to our financial performance and where appropriate through the use of hedging instruments to secure margin. Operating within the Chemical Industry, our businesses are highly regulated, with Environmental, Health and Safety laws and regulations governing our operations and providing our license to operate. The Group places compliance with these laws and regulations as the number one priority and has a "best in class" reputation within the industry.

## **Future developments**

The directors do not expect a change in the Company's activities during the next financial year. As a result of the implementation of the new UK REACH regulations the Company is expected to be used as a distributor for Composites chemicals in the future, but the timing of this remains uncertain.

## **Financial risk management**

The Company's operations expose it to a variety of financial risks including the effects of foreign exchange and commodity price 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 manages its foreign currency exposure by spot currency trading where necessary. Foreign exchange losses arise from balances with other Group companies or normal trading balances. The Group makes use of natural hedge relationships and through the use of hedging instruments, which limits its exposure to movements in foreign exchange rates. The Company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties.

**Directors' report** *(continued)*

**Financial risk management** *(continued)*

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, United Kingdom, SW3 3TY.

**Directors**

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

A Brown  
J Nicolson  
A Hogan (resigned on 3 November 2022)

**Covid-19 and the Ukraine conflict**

The COVID-19 pandemic and the Ukraine conflict has had limited impact on the operations of the Company due to its simple nature. However, as mentioned, the Company does operate within a larger Group known as INEOS Enterprises ("the Group"). 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 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 revenue generated in these countries was not material to 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 products and services and the impact on margins for the next 12 months and the directors do not expect a material impact on the Company's ability to operate.

**Going concern**

In assessing the appropriateness of the application of the going concern basis, the directors considered the principal activities of the Company following the end of the distribution agreement on 31 December 2020. Accordingly, these financial statements have been prepared on a basis other than going concern as trading has ceased. There have been no material adjustments arising from the use of a basis other than going concern.

**Key performance indicators**

Given the straightforward nature of the business, 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.

**Small companies' exemptions**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

**Directors' report** *(continued)*

**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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Registered Address**

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

Approved and signed on behalf of the Board



A Brown  
**Director**  
21 September 2023

**Income Statement**  
*For the year ended 31 December 2022*

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		<b>£'000</b>	
Revenue	2	-	1
Administrative income/(expenses)		<u>7</u>	<u>(34)</u>
<b>Operating profit/(loss)</b>		<b>7</b>	<b>(33)</b>
Finance income/(expense)	3	<u>1</u>	<u>(11)</u>
<b>Profit/(loss) before taxation</b>		<b>8</b>	<b>(44)</b>
Tax on profit/(loss)	5	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the year</b>		<b><u>8</u></b>	<b><u>(44)</u></b>

The notes on pages 8 to 12 are an integral part of these financial statements.

The Company has no other comprehensive income in the current or prior year and therefore no separate statement of comprehensive income has been presented.

**Balance Sheet**  
*As at 31 December 2022*

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		<b>£'000</b>	
<b>Non-current assets</b>			
Deferred tax asset		<u>1</u>	<u>-</u>
		<u>7</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	6	<u>26</u>	<u>21</u>
Cash and cash equivalents		<u>512</u>	<u>537</u>
		<u>538</u>	<u>558</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>24</u>	<u>45</u>
<b>Net current assets</b>		<u>514</u>	<u>513</u>
<b>Total assets less current liabilities</b>		<u>521</u>	<u>513</u>
<b>Net assets</b>		<u>521</u>	<u>513</u>
<b>Capital and reserves</b>			
Called up share capital	8	<u>-</u>	<u>-</u>
Share premium		<u>468</u>	<u>468</u>
Retained earnings		<u>53</u>	<u>45</u>
<b>Total shareholders' funds</b>		<u>521</u>	<u>513</u>

The notes on pages 8 to 12 are an integral part of these financial statements.

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 5 to 12 were approved and authorised for issue by the board of directors on 21 September 2023 and signed on its behalf by:



**A Brown**  
Director

Company registered number: 11506805

**Statement of Changes in Equity**  
*For the year ended 31 December 2022*

	<u>Called up share capital</u>	<u>Share Premium</u>	<u>Retained earnings</u>	<u>Total shareholders' funds</u>
			£'000	
<b>Balance at 1 January 2021</b>	-	468	89	557
Loss for the year and total comprehensive expense	-	-	(44)	(44)
<b>Balance at 31 December 2021</b>	<u>-</u>	<u>468</u>	<u>45</u>	<u>513</u>
Profit for the year and total comprehensive income	-	-	8	8
<b>Balance at 31 December 2022</b>	<u>-</u>	<u>468</u>	<u>53</u>	<u>521</u>

The notes on pages 8 to 12 are an integral part of these financial statements.



## **Notes to the Financial Statements for the year ended 31 December 2022**

### **1 Accounting policies**

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

The nature of the Company's operations and its principal activities are set out in the directors' report on page 2.

#### **Basis of accounting**

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. These financial statements were prepared on a basis other than going concern basis as trading has ceased.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the United Kingdom ("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, United Kingdom, SW3 3TY. 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.

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 presentational currency**

The Company presents its financial statements in pounds sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand except disclosures in Note 8 – Called up share capital.

#### **Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Income Statement.

#### **Going concern**

In assessing the appropriateness of the application of the going concern basis, the directors considered the principal activities of the Company following the end of the distribution agreement on 31 December 2020. Accordingly, these financial statements have been prepared on a basis other than going concern as trading has ceased. There have been no material adjustments arising from the use of a basis other than going concern.

#### **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.

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

### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables 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 commissions calculated on the sales value of the products distributed or services (including in certain instances, carriage and freight services) provided to third parties net of sales discounts, value added taxes and duties. 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.

### **Share capital**

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

### **Finance income and expenses**

Interest income and interest expense are recognised in the income statement as it accrues, using the effective interest method. Finance costs comprise interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Finance income comprise interest receivable on funds invested and from related party loans and net foreign exchange gains.

### **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.

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.

## 2 Revenue

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	
<b>Analysis of revenue by category:</b>		
Agent's commissions	<u>-</u>	<u>1</u>
<b>Analysis of revenue by geographical market:</b>		
United Kingdom	<u>-</u>	<u>1</u>
<b>Total revenue</b>	<u>-</u>	<u>1</u>

## 3 Finance income/(expense)

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	
Bank fees	(1)	2
Net foreign exchange gain/(loss)	<u>2</u>	<u>(9)</u>
<b>Net finance income/(expense)</b>	<u><u>1</u></u>	<u><u>(11)</u></u>

## 4 Employees and directors

The Company had no employees during the year (2021: none).

The directors did not receive any emoluments in respect of their services to the Company (2021: £nil). No directors have benefits accruing under a defined benefit pension scheme (2021: none). The directors are remunerated for their qualifying services by another group company for contributions to the Group as a whole and it is not possible to apportion this to the Company.

Fees receivable by the Company's auditor and their associates in respect of audit services to the Company and their associates were £nil (2021: £20,000). This cost has been borne by INEOS Enterprises Holdings Limited.

## 5 Tax on profit/(loss)

### Recognised in the Income Statement

	<u>2022</u>	<u>2021</u>
	<u>£'000</u>	
<b>Current tax</b>		
UK current tax	2	(8)
Adjustments in respect of prior periods	<u>5</u>	<u>8</u>
<b>Total current tax charge/(credit)</b>	<u>7</u>	<u>-</u>
<b>Deferred tax</b>		
UK deferred tax	-	-
Adjustments in respect of prior periods	(6)	-
Effects of changes in tax rate	<u>(1)</u>	<u>-</u>
<b>Total current tax (credit)/charge</b>	<u>(7)</u>	<u>-</u>
<b>Total tax (credit)/charge</b>	<u><u>-</u></u>	<u><u>-</u></u>

## 5 Tax on profit/(loss) (continued)

### Reconciliation of effective tax rate

Tax (credit)/charge for the year differs from the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). As explained below:

	2022	2021
	£'000	
Profit/(loss) before taxation	8	(44)
Profit/(loss) before taxation multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	2	(8)
Adjustments in respect of prior periods	(1)	8
Effect of change in tax rates	(1)	-
<b>Tax on profit/(loss)</b>	<b>-</b>	<b>-</b>

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.

## 6 Trade and other receivables

	2022	2021
	£'000	
<b>Current</b>		
Amounts owed by group undertakings	26	21
<b>Total trade and other receivables</b>	<b>26</b>	<b>21</b>

Amounts owed by group undertakings are unsecured and interest free. These are either subject to standard trading conditions or are payable on demand.

## 7 Creditors: amounts falling due within one year

	2022	2021
	£'000	
Amounts owed to group undertakings	-	11
Corporation tax payable	21	14
Accruals and deferred income	3	20
<b>Total creditors: amounts falling due within one year</b>	<b>24</b>	<b>45</b>

Amounts owed to group undertakings in the prior year were unsecured, interest free and were either subject to standard trading terms or were repayable on demand.

## 8 Called up share capital

	2022	2021
	£	
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2

The sole shareholder of the ordinary shares is entitled to receive dividends as declared from time to time 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 Composites Europe Holding Sàrl, which is the immediate parent company incorporated in Switzerland. The ultimate controlling party is 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 shareholding in INEOS Limited.

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

## **11 Accounting estimates and judgements**

The Company prepares its financial statements in accordance with FRS 101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.

## **12 Contingencies**

The Company is party to a Senior Secured Term Loans agreement dated 31 July 2019 (as amended). The total outstanding indebtedness under the Senior Secured Term Loans agreement at 31 December 2022 was €1,460.7 million (2021: €1,306.5 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.