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Company registration number

124626

# Glencore Finance (Europe)

Limited

REPORT AND
FINANCIAL STATEMENTS
**2022**

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# Officers and professional advisers

**Directors**

Warren Blount
Timothy Scott
Ann Nash
Ian Wall

**Registered office**

26 New Street,
St Helier, Jersey,
JE2 3RA

**Auditor**

Deloitte LLP
London, England

**Company registration number**

124626

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# Strategic report

The Directors present their Strategic report for Glencore Finance (Europe) Limited (the "Company") for the year ended 31 December 2022 to provide a review of the Company's business, principal risks and uncertainties, performance and position. The Company is a wholly owned subsidiary of Glencore Group Corporation and is ultimately wholly owned by Glencore plc ("Glencore" or "the Group").

**Organisation**

The Company's primary objective is to hold investments in some of the Group's largest mining and industrial assets and to raise funding in capital markets whose proceeds are lent to or invested in other group entities. Glencore plc together with other Group entities has unconditionally and irrevocably guaranteed the Company's liabilities to external bond holders.

No changes in the above business model are anticipated in the coming year.

**Business review**

As shown in the statement of income on page 16, the profit for the year after taxation was USD 4,499 million (2021: USD 3,274 million loss) resulting primarily from dividend income of USD 4,577 million (2021: USD 16,192 million) received from the Company's subsidiary Glencore International Investments Ltd. (GIIL). The balance sheet on page 17 shows that the Company's net assets decreased compared to the prior year from USD 8,794 million to USD 5,143 million primarily due to the reduction in carrying value of the Company's investment in subsidary following the receipt of USD 3,590 million from reduction of issued share capital by GIIL. The Company's borrowings decreased by USD 1,582 million primarily from redemption of bonds. The Directors approved dividends amounting to USD 8,167 million during the period (2021: dividend and distribution in specie: USD 4,780 million).

**Principal risks and risk governance**

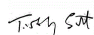
The Board of Directors are responsible for approving risk management principles and policies, and ensuring that the Company's management maintains an effective system of internal controls. They are responsible for the management of risk within the framework of risk management principles and policies approved by the Board.

The Company's principal risks are the supply, demand and prices of commodities, and climate change which have a significant impact on the valuation of the Company's investment in GIIL and the Company's ability to generate dividend income to service its debt obligations. Other principal risks include foreign exchange and interest rate risks resulting from capital market debt issuances.

The Company relies on the Group's risk management activities in mitigating against possible negative impacts of supply and demand fundamentals on commodity prices which focuses on cost discipline, operational efficiency and tracking the shifts in demand to maximise capital allocation. The Company manages its foreign exchange and interest rate risks by hedging predominantly with another group entity as well as third parties and by matching of assets and liabilities.

The directors are evaluating the control weaknesses noted by our auditor on page 12 and are taking appropriate remediation actions.

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

Timothy Scott
Director 

Ann Nash
Director

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# Directors' report

The Strategic report on page 4 contains details of the principal activities of the Company and provides information on the Company's business during the year.

**Directors**

The Directors who held office during the year are shown on page 3.

**Going concern**

The Company is expected to continue its activities as an investment company that also supports the Group's financing activities. The Company expects to be able to generate sufficient dividend income from its investments to meet its liabilities as they fall due.

As noted in the Strategic report, Glencore plc, together with other Group entities, has unconditionally and irrevocably guaranteed the Company's external bond liabilities. The Group has updated its going concern assessment at 31 December 2022 considering the Group's budgeted cash flows and related assumptions including appropriate stress testing of the identified uncertainties (being primarily commodity prices and currency exchange rates) and access to undrawn credit facilities and monitoring of debt maturities. Based on the Group's updated liquidity forecasts and projections, the directors believe they have a reasonable basis to conclude that the Group and Company will be able to meet their liabilities as they fall due for at least the next 12 months. Accordingly, it is appropriate for the Company to adopt the going concern basis in preparing these financial statements.

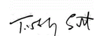
**Auditor**

Each of the persons who is a Director at the date of approval of these financial statements confirms that:

a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
b) the Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Pursuant to Article 113 of the Companies (Jersey) Law 1991, Deloitte LLP were re-appointed during the year and will therefore continue in office.

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



Timothy Scott
Director
04 May 2023

Ann Nash
Director

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# Directors' responsibilities statement

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 its financial statements comply with the Companies (Jersey) Law 1991. 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.

Applicable Company law requires the Directors to prepare financial statements for each financial year and accordingly the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 *Reduced Disclosure Framework*.

By making this election, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 *Reduced Disclosure Framework* has 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.

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.

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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCORE FINANCE (EUROPE) LIMITED

## Report on the audit of the financial statements

### 1. Opinion

In our opinion the financial statements of Glencore Finance (Europe) Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of the company's 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 properly prepared in accordance with Companies (Jersey) Law, 1991.

We have audited the financial statements, which comprise:

- the statement of income;
- the statement of other comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 19.

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

### 2. 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 as applied to listed entities, 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.

### 3. Summary of our audit approach

| | |
|---|---|
| **Key audit matters** | The key audit matter that was identified in the current year was: Valuation of investment in Glencore International Investments Ltd. |

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| | |
|---|---|
| **Materiality** | We determined materiality for the financial statements to be $230 million (2021: $300 million) based on total assets consistent with the prior year. |
| **Scoping** | Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team. |
| **Significant changes in our approach** | There were no changes in our audit approach compared to the prior year, except for the removal of the key audit matter related to Accounting for the Group restructuring which was completed in November 2021. |

## 4. 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.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting has focused on the Glencore plc Group's (the "Group's") ability to settle the Company's liabilities as they fall due, as the ultimate guarantor of the Company's liability to external bondholders.

As part of this assessment:

- We considered the effect of key risks on the Group's business model as part of our risk assessment and analysed how these risks might affect the Group's liquidity position, including access to capital, and thus its ability to continue to operate as a going concern. The risk we considered to have the greatest impact is the supply, demand and prices of commodities over the forecast period.
- We assessed the basis for the assumptions used in the forecast information including operational profitability, the Group's debt repayment obligations and capital expenditure requirements as well as undrawn facilities.
- We assessed the downside stress scenarios applied by the directors in their analysis, in particular whether the downside scenarios represented an appropriately robust sensitivity. We evaluated the effect of these scenarios on key metrics such as liquidity headroom, net debt and net debt to Adjusted EBITDA over the going concern period and performed additional sensitivities to further challenge the Group's forecast position.
- We assessed whether the investigations settlement and contingent liabilities could have a material effect on the Group's ability to continue as a going concern.

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.

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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### 5.1 Valuation of investment in Glencore International Investments Ltd.

**Key audit matter description**

The Company holds a 100% investment in GIIL carried at a cost of $12,432 million at 31 December 2022. GIIL holds various indirect investments in some of the Group's largest operating industrial assets (with the largest being the Australian thermal coal assets). The recoverability of the investment in GIIL is supported by the aggregated net recoverable values of the underlying industrial assets. As a result of the level of estimation uncertainty in determining the recoverable value of GIIL, we identified the valuation of the investment as a significant risk. In addition, during the period the Company received dividends from GIIL in excess of GIIL's total comprehensive income for the year which is a potential impairment indicator under IAS 36.

Management completes an impairment indicators assessment on all of the significant industrial assets in the Group as part of the annual budgeting process.

Management prepared a schedule comparing the amount of the investment value in GIIL against the aggregated net recoverable values of GIIL's underlying investments and concluded that significant headroom existed, and consequently no impairment was required.

As a result of the level of estimation uncertainty in determining the recoverable value of GIIL we identified the valuation of the investment in GIIL as a key audit matter.

Refer to the notes 3 (Critical Accounting Judgements or Key Estimation Uncertainties) and 11 (Investment in subsidiary companies) of the financial statements for details.

Management concluded that the GIIL investment is not sensitive to reasonably possible changes in the next financial year that could have a material impact on its value.

**How the scope of our audit responded to the key audit matter**

- We obtained an understanding of the methodology applied by management in developing its impairment assessments at the underlying operational level and how value from those operations affects the Company's investment valuation.
- We considered management's assessment of impairment indicators and performed an independent assessment of impairment indicators.
- We evaluated management's assessment of impairment risk and their assessment of the indicators of impairment and challenged the significant assumptions used and the data sources on which these assumptions were based.
- We obtained a schedule from management listing each of the investments in operating assets ultimately owned by GIIL, and the recoverable amounts of those investments.
- To challenge management's impairment assessment, we reconciled the recoverable values in the schedule to appropriate accounting records and valuation models.
- We evaluated the impact of climate-related risks relating particularly to the Company's investment in thermal coal assets by comparing management's impact assessment with reputable public industry projections of demand into the future, such as the International Energy Agency's (the "IEA") Stated Policy - and Announced Pledges - Scenarios and using management's impairment models to perform sensitivities on long-term price assumptions based on external broker consensus price projections and IEA projections.
- We performed a recalculation of the recoverable amount based on the aggregate estimated recoverable amounts of management's impairment models of GIIL's indirectly held industrial assets, less the value of other net liabilities of the GIIL subgroup.
- We performed independent sensitivity analyses to assess the appropriateness of the valuation and disclosure of the GIIL investment.
- We evaluated the risk of management bias in forecast assumptions and estimates by comparing management's inputs to third party forecast and macroeconomic data, our independent assessment of discount rates, and reconciliations to latest internal budget information.

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**5.1 Valuation of investment in Glencore International Investments Ltd.**

| | |
|---|---|
| **Key observations** | Based on the work performed we concluded that management's assessment of impairment indicators and the determination of the aggregated indicative values of the underlying operating assets was reasonable for the purposes of assessing whether or not an impairment indicator was present. We found management's judgements that there was no indication of impairment of its investment in GIIL and that the GIIL investment is not sensitive to reasonably possible changes in the next financial year to be reasonable. |

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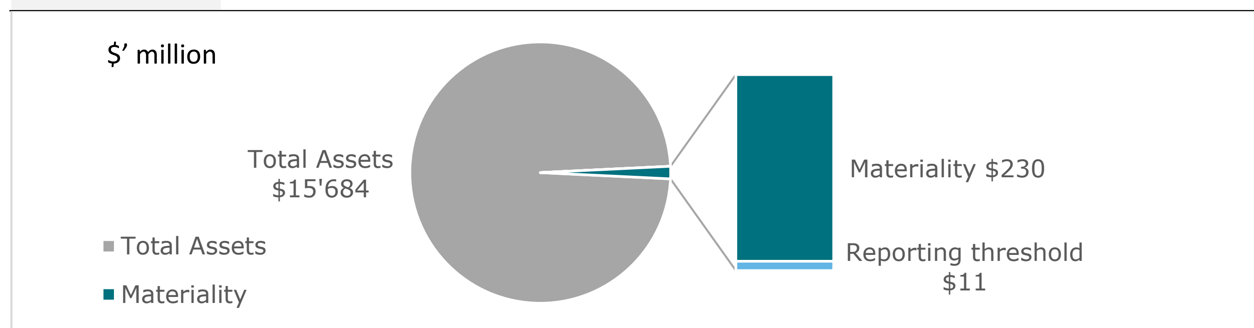
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|---|---|
| **Materiality** | $230 million (2021: $300 million) |
| **Basis for determining materiality** | 1.5% of total assets (2021: 1.5% of total assets) |
| **Rationale for the benchmark applied** | Materiality was based on total assets as one of the Company's primary functions is that of an investment holding company. Cash flows from the underlying investments and loans are applied to settling the Company's liabilities as they fall due. We consider total assets to therefore be of primary importance to both the Company's sole shareholder and the external bond holders. |




### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 65% (2021: 65%) of materiality for the 2022 audit. While there have been a limited number of uncorrected misstatements in previous years, we continued to maintain a factor of 65% to determine performance materiality consistent with prior years.

### 6.3. Error reporting threshold

We agreed with the directors that we would report all audit differences in excess of $11 million (2021: $15 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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## 7. An overview of the scope of our audit

### 7.1. Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### 7.2. Our consideration of the control environment

The Company relies on the effectiveness of a number of IT systems and applications to ensure that financial transactions are recorded completely and accurately. The main financial accounting and treasury systems were identified as key IT systems relevant to our audit. We tested General IT Controls ("GITCs") as part of our audit.

The IT systems which are managed from the centralised IT function in Switzerland were evaluated by IT specialists who were part of the Group audit team. Our review identified control deficiencies in user access provisioning and management of privileged access.

Management is evaluating the internal control deficiencies. Please refer to page 4 of the Strategic Report.

## 8. 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 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.

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## 9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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.

## 10. 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.

## 11. 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.

**11.1 Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the company as an intermediate holding company within the Group with listed external bonds;
- the Company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of senior management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of its policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether management was aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether management have knowledge of any actual, suspected or alleged fraud, and
  - reviewing internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and internal forensic specialists and relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area:

- the impairment assumptions selected by management at the operating mine level that are used in the testing of impairment of the GIIL investment.

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In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Companies (Jersey) Law 1991 and relevant tax laws.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the US Foreign Corrupt Practices Act, the US Anti-Money Laundering regulations, the UK Bribery Act 2010 and the Group's operating licences and environmental regulations in the jurisdictions in which it operates.

**11.2 Audit response to risks identified**

As a result of performing the above, we identified "Valuation of the GIIL investment" as a key audit matter related to the potential risk of fraud. The key audit matter section of our report explains the matter in more detail and also describes the specific procedures we performed in response to the key audit matter.

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

- enquiring of management and the General Counsel concerning actual and potential litigation and claims;
- enquiring of management and the General Counsel regarding whether the Company is in compliance with laws and regulations relating to fraud, money laundering, bribery and corruption;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory and taxation authorities, where applicable;
- obtaining an understanding of the Group's compliance policies, procedures and controls, including the procedures to mitigate the risk of and response to allegations of fraud, bribery and corruption;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; and
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made by management in making accounting estimates indicate a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Matters on which we are required to report by exception

**12.1. Adequacy of explanations received and accounting records**

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit, or
- proper accounting records have not been kept, or proper 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.

We have nothing to report in respect of these matters.

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## 13. Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. 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.

**Geoffrey Pinnock CA(SA)**

for and on behalf of Deloitte LLP

Recognised Auditor

London, UK

4 May 2023

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# Financial statements

## STATEMENT OF INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

USD '000

| | NOTES | 2022 | 2021 |
|---|---|---|---|
| Operating expenses | 4 | (273) | (555) |
| **Operating loss** | | **(273)** | **(555)** |
| Finance income | 6 | 154 649 | 115 280 |
| Finance expenses | 7 | (218 097) | (307 070) |
| Foreign exchange and other finance income | | 980 | 29 881 |
| Dividend income | 8 | 4 576 903 | 16 192 158 |
| Impairment of investment in subsidiary | | - | (19 294 984) |
| **Profit/(Loss) before taxation** | | **4 514 162** | **(3 265 290)** |
| Taxation | 9 | (15 094) | (9 033) |
| **Profit/(Loss) for the financial year attributable to owners of the Company** | | **4 499 068** | **(3 274 323)** |

## STATEMENT OF OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

USD '000

| | NOTES | 2022 | 2021 |
|---|---|---|---|
| Profit/(Loss) for the financial year | | 4 499 068 | (3 274 323) |
| ***Items to be reclassified to the statement of income in subsequent periods*** | | | |
| Cash flow hedge reserve | | 17 645 | 15 454 |
| **Other comprehensive income** | | **17 645** | **15 454** |
| **Total comprehensive income/(loss)** | | **4 516 713** | **(3 258 869)** |

All activities derive from continuing operations.

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COMPANY REGISTRATION NUMBER 124626
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

USD '000

| | Notes | 2022 | 2021* |
|---|---|---|---|
| **Non-current assets** | | | |
| Loans to related party | 10 | 2 993 618 | 2 992 726 |
| Investment in subsidiary companies | 11 | 12 432 000 | 16 022 000 |
| Derivative financial instruments | 13 | 21 105 | 115 234 |
| **Total non-current assets** | | **15 446 723** | **19 129 960** |
| **Current assets** | | | |
| Loans to related party | 10 | - | 1 058 531 |
| Other debtors | 12 | 237 090 | 72 |
| Derivative financial instruments | 13 | - | 41 598 |
| Cash and bank balances | | 9 | 8 |
| **Total current assets** | | **237 099** | **1 100 209** |
| **Total assets** | | **15 683 822** | **20 230 169** |
| **Current liabilities** | | | |
| Loans from related party | 14 | 5 136 296 | 4 874 486 |
| Borrowings | 16 | 1 478 653 | 1 010 730 |
| Other creditors | 15 | 66 530 | 128 055 |
| Derivative financial instruments | 13 | 120 732 | 1 359 |
| **Total current liabilities** | | **6 802 211** | **6 014 630** |
| **Net current liabilities** | | **(6 565 112)** | **(4 914 421)** |
| **Total assets less current liabilities** | | **8 881 611** | **14 215 539** |
| **Non-current liabilities** | | | |
| Borrowings | 16 | 3 332 830 | 5 382 967 |
| Derivative financial instruments | 13 | 405 365 | 38 966 |
| **Total non-current liabilities** | | **3 738 195** | **5 421 933** |
| **Total liabilities** | | **10 540 406** | **11 436 563** |
| **Total net assets** | | **5 143 416** | **8 793 606** |
| **Equity** | | | |
| Share capital | 17 | 35 | 35 |
| Share premium | 17 | 7 320 365 | 15 487 268 |
| Cash flow hedge reserve | | (7 017) | (24 662) |
| Accumulated deficit | | (2 169 967) | (6 669 035) |
| **Total shareholders' equity** | | **5 143 416** | **8 793 606** |

* The presentation of prior year comparative balances for derivative financial instruments has been adjusted to reflect presentation based on maturity dates of respective instruments.

These financial statements were approved by the board of directors 04 May 2023
Signed on behalf of the Board of Directors

Timothy Scott
Director

Ann Nash
Director

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# STATEMENT OF CHANGES IN EQUITY
# FOR THE YEAR ENDED 31 DECEMBER 2022

USD '000

| | Notes | Share Capital | Share Premium | Accumulated deficit | Cash flow hedge reserve | Total |
|---|---|---|---|---|---|---|
| **As at 31 December 2020** | | **34** | **17 598 036** | **(3 394 712)** | **(40 116)** | **14 163 242** |
| Issue of shares | 17 | 1 | 2 668 778 | - | - | 2 668 779 |
| Loss on ordinary activities after taxation | | - | - | (3 274 323) | - | (3 274 323) |
| Dividend and distribution in specie to related parties | 17 | - | (4 779 546) | - | | (4 779 546) |
| Other comprehensive income | | - | - | - | 15 454 | 15 454 |
| **As at 31 December 2021** | | **35** | **15 487 268** | **(6 669 035)** | **(24 662)** | **8 793 606** |
| Profit on ordinary activities after taxation | | - | - | 4 499 068 | - | 4 499 068 |
| Dividend to related party | 17 | - | (8 166 903) | - | - | (8 166 903) |
| Other comprehensive income | | - | - | - | 17 645 | 17 645 |
| **As at 31 December 2022** | | **35** | **7 320 365** | **(2 169 967)** | **(7 017)** | **5 143 416** |

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# Notes to the financial statements

## 1. GENERAL INFORMATION

Glencore Finance (Europe) Limited is a public limited company registered in Jersey with registered number 124626 and registered office at 26 New Street, St Helier, Jersey, JE2 3RA. The Company is tax resident in the United Kingdom.

The Company is a wholly owned subsidiary of Glencore Group Corporation and is ultimately wholly owned by Glencore plc.

The Company's functional currency is the US Dollar (USD) as this is assessed to be the principal currency of the economic environment in which it operates.

The group accounts of Glencore plc are available to the public and can be obtained as set out in note 19 as is the registered office address of the parent company preparing consolidated accounts.

## 2. ACCOUNTING POLICIES

**Basis of accounting**

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) *Reduced Disclosure Framework* as issued by the Financial Reporting Council.

In accordance with FRS 101 the Company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 101 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for FRS 101.

*Exemptions*

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, fair values, capital management, presentation of a cash flow statement, standards not yet effective and related party transactions. Where deemed relevant disclosures have been given in the section below.

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 Glencore plc. The group accounts of Glencore plc are available to the public and can be obtained as set out in note 19.

These financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

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## 2. ACCOUNTING POLICIES (CONTINUED)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has adopted the following principal accounting policies:

**Adoption of new and revised standards**

*Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract*
The Company has adopted the amendments to IAS 37 for the first time in the current year. 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).

*IFRS 1 First-time Adoption of International Financial Reporting Standards*
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. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

*IFRS 9 Financial Instruments*
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

These amendments did not have a material impact on the Company.

**Revised standards not yet effective**

At the date of the authorisation of these financial statements, the following revised IFRS standards, which are applicable to the Company, were issued but not yet effective:

*Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – effective for year ends beginning on or after 1 January 2023*

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations, and clarify that the initial recognition exception does not apply to transactions where both an asset and a liability are recognised in a single transaction. Accordingly, deferred tax is required to be recognised on such transactions.

*Definition of Accounting Estimates (Amendments to IAS 8) – effective for year ends beginning on or after 1 January 2023*

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

*Materiality of Accounting Policy Disclosure (Amendments to IAS 1) – effective for year ends beginning on or after 1 January 2023*

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

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*Classification of Liabilities as current or non-current (Amendments to IAS 1) – effective for year ends beginning on or after 1 January 2023*
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Going concern**

Despite the net current liability position, the Company is expected to continue its activities as an investment company that also supports the Group's financing activities. The Company expects to be able to generate sufficient dividend income from its investments to be able to meet its liabilities as they fall due.

Notwithstanding the above, Glencore plc together with other Group entities has unconditionally and irrevocably guaranteed the Company's external bond liabilities. The Group has updated its going concern assessment for the year ended 31 December 2022 considering the Group's budgeted cash flows and related assumptions including appropriate stress testing of the identified uncertainties (being primarily commodity prices and currency exchange rates) and access to undrawn credit facilities and monitoring of debt maturities. Based on the Group's updated liquidity forecasts and projections, the directors believe they have a reasonable basis to conclude that the Group and Company will be able to meet their liabilities as they fall due for at least the next 12 months. Accordingly, it is appropriate for the Company to adopt the going concern basis in preparing these financial statements.

**Revenue recognition**

*Financial income*

Interest income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income is recognised when the right to receive the payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**Foreign currency transactions**

Transactions in foreign currencies are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year end closing rates. The resulting exchange differences are recorded in the statement of income. Currency and interest rate risks are suitably hedged mostly with another group entity. Non-monetary assets and liabilities are converted at the historical foreign exchange rate at the time of the transaction.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash held at bank, cash in hand and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

**Investment in subsidiary companies**

The investment in subsidiary companies is recorded at cost less accumulated impairments. The Company assesses its investment in the subsidiary companies for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in the Group's operating and economic assumptions, including those arising from changes in reserves or mine planning, updates to the Group's commodity supply, demand and price forecasts, or the possible impacts from emerging risks such as those related to climate change and the transition to a lower carbon economy. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount applying a either a Fair Value less Costs to Dispose ("FVLCD") or Value In Use ("VIU") approach whichever methodology is more appropriate for the underlying asset concerned and an impairment loss is recognised in the statement of income. Where these circumstances have reversed, the impairment previously made is reversed to the extent of the original cost of the investment

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The recoverable amount of the investment in subsidiary companies is determined by aggregating the discounted future cash flow estimates of the assets in the underlying sub-group of the subsidiary company. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the review is undertaken at the Cash Generating Unit (CGU) level. These cashflow estimates are discounted using asset or CGU specific discount rates.

**Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of income.

*Financial assets*

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset.

*Effective interest method*

Income is recognised on an effective interest basis for debt instruments. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including due from related parties, other financial assets, bank balances and cash) are subsequently measured at amortised cost using the effective interest method, less any impairment.

Interest income on loans and receivables is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

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## 2. ACCOUNTING POLICIES (CONTINUED)

*Impairment of financial assets*

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument. For financial assets at amortised cost, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For those balances that are beyond 30 days overdue it is presumed to be an indicator of a significant increase in credit risk.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

The Company considers an event of default has materialised and a financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Company without taking into account any collateral held by the Company or if the financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of income to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

*De-recognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of income. On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of income.

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*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Financial liabilities*

Financial liabilities, other than derivatives, are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost using the effective interest method. Derivatives are carried at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

*Derivatives and hedging activities*

Derivative instruments are initially recognised at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently remeasured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counterparty risk. Derivatives qualifying and designated as hedges are either (i) a Fair Value Hedge of the change in fair value of a recognised asset or liability or (ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly probable transaction.

At the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets the qualifying hedge effectiveness requirements. The Company discontinues hedge accounting when the qualifying criteria for the hedged relationship is no longer met.

A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognised as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income. Hedge ineffectiveness is recorded in the statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders' equity and is recognised in the statement of income when the committed or forecast transaction is ultimately settled or extinguished. However, if a forecast or committed transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the statement of income.

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## 2. ACCOUNTING POLICIES (CONTINUED)

**Taxation**

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

## 3. CRITICAL ACCOUNTING JUDGEMENTS OR KEY ESTIMATION UNCERTAINTIES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period.

The Company as the sole shareholder receives distributions from GIIL both in the form of return on capital (dividend) and return of capital. Depending on the nature of each individual distribution and evaluation of all facts related to the said distribution, the Company determines the appropriate accounting treatment applicable under IFRS, that is either to account for the distribution as a dividend or a return of capital in which case the cost of the investment is reduced by the amount of the distribution.

## 4. OPERATING EXPENSES

Operating expenses mainly include various professional and consulting fees along with the audit fee. The audit fee for the year is USD 130,800 (2021: USD 124,000).

**Employees**

The average monthly number of employees was nil (2021: nil).

## 5. DIRECTORS' REMUNERATION

None of the Directors received any fees or remuneration for their services as a director of the Company during the financial year (2021: USD nil) either from the Company or any other entity within the Glencore Group.

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## 6. FINANCE INCOME

USD '000

| | 2022 | 2021 |
|---|---|---|
| Interest income - related parties | 150 945 | 115 278 |
| Interest income - third parties | 3 704 | 2 |
| **Total** | **154 649** | **115 280** |

## 7. FINANCE EXPENSES

USD '000

| | 2022 | 2021 |
|---|---|---|
| Interest expense - related parties | (45 216) | (94 924) |
| Interest expense - third parties | (173 851) | (216 941) |
| Expected credit loss reversal | 970 | 4 795 |
| **Total** | **(218 097)** | **(307 070)** |

## 8. DIVIDEND INCOME

USD '000

| | 2022 | 2021 |
|---|---|---|
| Dividend received from Glencore Services (UK) Limited | - | 9 943 583 |
| Dividend and distribution in specie received from GIIL | 4 576 903 | 6 248 575 |
| **Total dividend income** | **4 576 903** | **16 192 158** |

## 9. TAXATION

### ANALYSIS OF TAX CHARGE ON ORDINARY ACTIVITIES

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the temporary differences to which they relate unwind based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Legislation was introduced in the Finance Bill 2021 and enacted by the statement of financial position date, to increase the main rate of corporation tax to 25%, from 1 April 2023. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the temporary differences to which they relate unwind based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial positions date.

USD '000

| | 2022 | 2021 |
|---|---|---|
| United Kingdom corporation tax at 19% (2021: 19%) based on the taxable loss for the year | - | - |
| Foreign withholding tax paid in Australia at 10% | (15 094) | (9 033) |
| **Total** | **(15 094)** | **(9 033)** |

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## 9. TAXATION (CONTINUED)

### FACTORS AFFECTING TAX CHARGE FOR THE CURRENT YEAR

The tax assessed for the year is higher (2021: higher) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2021: 19%).

### TAX RATE RECONCILIATION

USD '000

| | 2022 | 2021 |
|---|---|---|
| **Profit/(loss) before taxation** | **4 514 162** | **(3 265 290)** |
| **Tax at 19% thereon (2021: 19%)** | **(857 691)** | **620 405** |
| **Effects of:** | | |
| Expenses not deductible | - | (3 666 047) |
| Income not taxable | 869 612 | 3 076 510 |
| Interest restricted under Corporate Interest Restriction rules | - | (11 018) |
| Group relief surrendered for nil consideration | (11 921) | (19 850) |
| Foreign withholding tax paid | (15 094) | (9 033) |
| **Tax charge for the year** | **(15 094)** | **(9 033)** |

Deferred tax assets of USD 23 million (2021: USD 136 million) have not been recognised in respect of deductible temporary differences and tax losses because it is not probable that future taxable profits will be available against which the Company will be able to utilise the same.

## 10. LOANS TO RELATED PARTIES

USD '000

| | 2022 | 2021 |
|---|---|---|
| Non current loans to related party | 2 993 618 | 2 992 726 |
| Current loans to related parties | - | 1 058 531 |

Non current loans to related party bear interest at a rate of libor plus 2% and are unsecured with a maturity date of 31 October 2027.
The related parties are wholly owned Glencore plc affiliates.

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## 11.INVESTMENT IN SUBSIDIARY COMPANIES

USD '000

| Company name | Country of incorporation | Ownership interest | 2022 | 2021 |
|---|---|---|---|---|
| Glencore Capital Finance DAC | Ireland | 100% | -* | -* |
| | | | | |
| | | | | |
| Glencore International Investments Ltd. ("GIIL") at cost | Bermuda | 100% | **16 022 000** | 16 022 000 |
| Receipt from reduction of issued share capital by GIIL | | | **(3 590 000)** | - |
| **Total investment in GIIL** | | | **12 432 000** | 16 022 000 |
| | | | | |
| **Total investment in subsidiary companies** | | | **12 432 000** | 16 022 000 |

*Less than USD 1,000

**Glencore International Investments Ltd. ("GIIL")**

In November 2022, GIIL reduced its issued share capital by cancelling and extinguishing 4,019,481,525 shares of the issued common shares with a par value of USD 0.8931500189 per common share amounting to USD 3,590 million which was returned to the Company

No impairment indicators were identified at year end. The investment's recoverable value is not sensitive to material movements as a result of reasonably possible changes in underlying operating assumptions.

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## 12.OTHER DEBTORS

USD '000

| | 2022 | 2021 |
|---|---|---|
| Indirect tax receivable | - | 72 |
| Collateral for derivative instruments | 237 090 | - |
| **Total** | **237 090** | **72** |

All amounts are due for repayment within one year.

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

USD '000

| | 2022 | 2021* |
|---|---|---|
| Current derivative assets | - | 41 598 |
| Non current derivative assets | 21 105 | 115 234 |
| | | |
| Current derivative liabilities | 120 732 | 1 359 |
| Non current derivative liabilities | 405 365 | 38 966 |

* The presentation of prior year comparative balances for derivative financial instruments has been adjusted to reflect presentation based on maturity dates of respective instruments.

Included in the above are derivatives assets with related parties of USD 6.5 million (2021: USD 109 million) and derivatives liabilities with related parties of USD 292 million (2021: USD 40 million).

## 14.LOANS FROM RELATED PARTY

USD '000

| | 2022 | 2021 |
|---|---|---|
| Current loans from related party | 5 136 296 | 4 874 486 |

The loans from the related party, which is a wholly owned Glencore plc affiliate, are unsecured, interest free and payable on demand.

## 15. OTHER CREDITORS

USD '000

| | 2022 | 2021 |
|---|---|---|
| Capital market notes interest accruals | 53 490 | 88 840 |
| Collateral for derivative instruments | 11 280 | 37 380 |
| Other payables and accruals | 1 760 | 1 835 |
| **Total** | **66 530** | **128 055** |

All amounts are due for repayment within one year.

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## 16. BORROWINGS

| USD Million | Maturity | 2022 | 2021 |
|---|---|---|---|
| Euro 1000 million 1.875% coupon bonds | Sep.23 | - | 1 101 |
| Euro 400 million 3.700% coupon bonds | Oct.23 | - | 456 |
| Euro 600 million 0.625% coupon bonds | Sep.24 | 641 | 682 |
| Euro 750 million 1.750% coupon bonds | Mar.25 | 748 | 861 |
| Euro 500 million 3.750% coupon bonds | Apr.26 | 478 | 572 |
| Euro 500 million 1.500% coupon bonds | Oct.26 | 471 | 566 |
| **Eurobonds** | | **2 338** | **4 238** |
| GBP 500 million 3.125% coupon bonds | Mar.26 | 541 | 677 |
| **Sterling bonds** | | **541** | **677** |
| CHF 175 million 1.25% coupon bonds | Oct.24 | 184 | 194 |
| CHF 250 million 0.35% coupon bonds | Sep.25 | 270 | 274 |
| **Swiss Franc bonds** | | **454** | **468** |
| **Total non-current bonds** | | **3 333** | **5 383** |
| | | | |
| Euro 1000 million 1.875% coupon bonds | Sep.23 | 1 062 | - |
| Euro 400 million 3.700% coupon bonds | Oct.23 | 417 | - |
| GBP 500 million 6.000% coupon bonds | Apr.22 | - | 674 |
| JPY 10 billion 1.075% coupon bonds | May.22 | - | 87 |
| US $250 million 3m Libor plus 1.650% coupon bonds | May.22 | - | 250 |
| **Total current bonds** | | **1 479** | **1 011** |
| | | | |
| **Amounts falling due after more than 5 years** | | **-** | **-** |

## 17. EQUITY

USD '000

| Share capital (issued, called up and fully paid) | 2022 | 2021 |
|---|---|---|
| 33 ordinary shares of Euro 1,000 each (2021: 33 ordinary shares) | **35** | 35 |
| 1 ordinary share of GBP 1 nominal | **-** | - |
| Share premium | **7 320 365** | 15 487 268 |

**Dividend and distribution in specie to related parties from share premium account**

| | 2022 | 2021 |
|---|---|---|
| Glencore UK Limited | - | 1 851 304 |
| Glencore Group Corporation – dividend and distribution in specie | 8 166 903 | 2 928 242 |
| **Total dividends to related parties** | **8 166 903** | 4 779 546 |

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## 18. SUBSEQUENT EVENTS

**Capital reduction receipt and dividend distribution**

On 7 April 2023, Glencore International Investments Ltd. reduced its issued share capital by cancelling and extinguishing 3,141,927,815 shares of the issued common shares with a par value of USD 0.8931500189 per common share amounting to USD 2,806 million which was returned to the Company. On 7 April 2023 the directors approved a dividend distribution for the same amount to Glencore Group Corporation.

## 19. ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is Glencore plc, a company incorporated in Jersey with registered offices at 13 Castle Street, St Helier, JE1 1ES, Jersey. This is the largest and smallest Company for which consolidated financial statements are prepared which includes the Company.

Copies of the consolidated financial statements of Glencore plc may be obtained from the registered office or from www.glencore.com.