

**INOVYN Group Treasury Limited**

Annual report and financial statements

Registered number 06179953

31 December 2022



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## Strategic report for the year ended 31 December 2022

The directors present their strategic report for INOVYN Group Treasury Limited (the “Company”) for the year ended 31 December 2022.

### Principal activities

The Company’s principal activity is to provide finance to its subsidiaries by way of the inter-company credit agreement, which allows fellow group undertakings to lend funds to or borrow funds from the Company in order to meet its short term financial needs.

### Review of the business

The results of the Company are set out in the income statement on page 8 which shows a profit before taxation of €22.5 million (2021: €49.0 million). Net interest receivable and similar income for the year was €23.1 million (2021: €49.4 million). Net interest and therefore profit before taxation were negatively impacted by fluctuations in exchange rates which led to a net exchange loss of €6.4 million (2021: gain of €15.7 million).

The net liabilities of the Company at 31 December 2022 were €667.5 million (2021: €685.4 million).

### Future developments

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

### Financial risk management

The Company’s operations expose it to a variety of financial risks including credit risk and liquidity risk. Since the Company’s operations involve related parties, none of these risks are considered significant. As the Company is an indirect subsidiary of INEOS Inovyn Limited (formerly INOVYN Limited), all risks are managed at Group level. Further details of policies in relation to external financial risks can be found in the Annual report and financial statements of INEOS Inovyn Limited which may be obtained from the Company Secretary at: Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

### Section 172 (1) statement

The directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have.

As the Company is an indirect subsidiary of INEOS Inovyn Limited all stakeholder considerations are managed at a group level. Further detail of policies in relation to the section 172(1) duties can be found in the Annual report and financial statements of INEOS Inovyn Limited which may be obtained from the Company secretary at the registered office: Bankes Lanes Office, Bankes Lane, P.O. Box 9, Runcorn, Cheshire ,WA7 4JE.

### Key performance indicators (“KPIs”)

Given the straightforward nature of the business, the Company’s directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Group, which includes the Company, are discussed in the Group’s annual report which does not form part of this report.

Approved by the Board and signed on its behalf by:



**D J Horrocks**  
Director  
1 August 2023

## **Directors' report for the year ended 31 December 2022**

The directors present their report and the audited financial statements of INOVYN Group Treasury Limited for the year ended 31 December 2022.

### **Dividends**

The directors do not recommend the payment of a dividend (2021: €nil). No dividend has been paid or declared post year end.

### **Financial risk management and future developments**

The management of the financial risks of the Company along with disclosure of future developments are included in the Strategic report on page 2.

### **Going concern**

The directors have considered the Company's projected future cash flows and working capital requirements. As at 31 December 2022, the Company had net liabilities of €667.5 million (2021: €685.4 million). The Company held cash of €179.0 million (2021: €192.7 million) and loans and borrowings of €2,381.8 million (2021: €2,186.3 million). The profit for the year was €17.9 million (2021: €40.4 million). The directors have received confirmation that an intermediate parent, INEOS Inovyn Limited, will continue to support the Company for at least 12 months from the date of signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the intermediate parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

### **Subsequent events**

There were no events requiring recognition or disclosure in the financial statements.

### **Donations**

The Company made no political contributions during the year (2021: €nil).

### **Energy and carbon report**

The Company is not providing any disclosures as it is able to obtain an exemption due to not preparing a group Directors report and because it consumes less than 40,000KWh of energy. In addition the Company is non-trading, does not have any employees and has no premises.

### **Directors**

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

J D Taylorson (resigned 4 January 2022)  
G Tuft  
D J Horrocks  
P M Daniels (appointed 4 January 2022)  
A Moorcroft (appointed 1 December 2022)  
J W Allman (appointed 1 December 2022)

### **Directors' indemnities**

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertaking, has maintained cover for its directors and officers under a directors' and officers' liability insurance policy as permitted by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

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

### Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Directors' confirmations

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Independent auditors

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

### Registered address

INOVYN Group Treasury Limited  
Bankes Lane Office,  
Bankes Lane,  
P.O. Box 9, Runcorn,  
Cheshire, WA7 4JE

Approved by the Board and signed on its behalf by:



**D J Horrocks**

Director

1 August 2023

## **Independent auditor's report to the members of INOVYN Group Treasury Limited**

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

#### **Opinion**

In our opinion the financial statements of INOVYN Group Treasury Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

#### **Basis for opinion**

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

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

## **Independent auditors' report to the members of INOVYN Group Treasury Limited (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation and
- 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 environmental regulations.

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

## **Independent auditors' report to the members of INOVYN Group Treasury Limited (continued)**

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

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

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

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

#### **Matters on which we are required to report by exception**

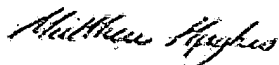
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### **Use of our report**

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



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



**Income statement**  
*for the year ended 31 December 2022*

	<i>Note</i>	<b>2022 €m</b>	<b>2021 €m</b>
Total administrative expenses		<b>(0.6)</b>	<b>(0.4)</b>
<b>Operating loss</b>	<b>2</b>	<b>(0.6)</b>	<b>(0.4)</b>
Interest receivable and similar income	<b>3</b>	<b>33.4</b>	<b>49.6</b>
Interest payable and similar expenses	<b>4</b>	<b>(10.3)</b>	<b>(0.2)</b>
<b>Profit before taxation</b>		<b>22.5</b>	<b>49.0</b>
Tax on profit	<b>5</b>	<b>(4.6)</b>	<b>(8.6)</b>
<b>Profit for the financial year</b>		<b>17.9</b>	<b>40.4</b>

All activities of the Company relate to continuing operations.

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

**Balance sheet**  
*As at 31 December 2022*

	<i>Note</i>	<b>2022</b> <b>€m</b>	<b>2022</b> <b>€m</b>	<b>2021</b> <b>€m</b>	<b>2021</b> <b>€m</b>
<b>Fixed assets</b>					
Investments	6		-		-
<b>Current assets</b>					
Debtors: amounts due within one year	7	1,368.5		1,148.0	
Debtors: amounts due after more than one year	7	171.0		160.5	
Cash at bank and in hand		179.0		192.7	
		<u>1,718.5</u>		<u>1,501.2</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,386.0)</u>		<u>(2,186.6)</u>	
<b>Net current liabilities</b>			<u>(667.5)</u>		<u>(685.4)</u>
<b>Net liabilities</b>			<u>(667.5)</u>		<u>(685.4)</u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Accumulated losses			<u>(667.5)</u>		<u>(685.4)</u>
<b>Total shareholder's deficit</b>			<u>(667.5)</u>		<u>(685.4)</u>

The notes on pages 11 to 19 form part of the financial statements.

These financial statements on pages 8 to 19 were approved by the board of directors on 1 August 2023 and were signed on its behalf by:



**D J Horrocks**  
*Director*

INOVYN Group Treasury Limited

Company registered number: 06179953

**Statement of changes in equity**  
*for the year ended 31 December 2022*

	<b>Called up share capital €m</b>	<b>Accumulated losses €m</b>	<b>Total shareholder's deficit €m</b>
Balance at 1 January 2021	-	(725.8)	(725.8)
Profit and total comprehensive income for the financial year	-	40.4	40.4
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>(685.4)</b>	<b>(685.4)</b>

	<b>Called up share capital €m</b>	<b>Accumulated losses €m</b>	<b>Total shareholder's deficit €m</b>
Balance at 1 January 2022	-	(685.4)	(685.4)
Profit and total comprehensive income for the financial year	-	17.9	17.9
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>(667.5)</b>	<b>(667.5)</b>

## Notes to the financial statements for the year ended 31 December 2022

### 1 Accounting policies

INOVYN Group Treasury Limited (the "Company") is a private company incorporated in the United Kingdom under the Companies Act 2006, registered and domiciled in England and Wales and limited by shares. The address of the Company's registered office is shown on page 4.

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") on a going concern basis and under the historical cost accounting rule. The presentational currency of these financial statements is the Euro.

The Company is a wholly-owned subsidiary of INEOS Inovyn Limited and is included in its consolidated financial statements, which are publicly available. The consolidated financial statements of INEOS Inovyn Limited are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the United Kingdom ("Adopted IFRSs") effective 31 December 2022 and with the Companies Act as applicable to companies using Adopted IFRSs and are available to the public and may be obtained from the Company Secretary at: Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

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

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned companies within the group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

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

#### 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.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 1 Accounting policies (continued)

#### 1.2 Going concern

The directors have considered the Company's projected future cash flows and working capital requirements. As at 31 December 2022, the Company had net liabilities of €667.5 million (2021: €685.4 million). The Company held cash of €179.0 million (2021: €192.7 million) and loans and borrowings of €2,381.8 million (2021: €2,186.3 million). The profit for the year was €17.9 million (2021: €40.4 million). The directors have received confirmation that an intermediate parent, INEOS Inovyn Limited, will continue to support the Company for at least 12 months from the date of signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the intermediate parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

#### 1.3 Foreign currency

The functional currency of the Company is the local currency of its principal operating environment. The financial statements are therefore presented in Euros.

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

#### 1.4 Financial instruments

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

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

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

##### *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.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

#### 1.5 Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 1 Accounting policies (continued)

#### 1.5 Impairment (continued)

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### *Financial assets*

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

For other financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### 1.6 Expenses

##### *Interest receivable and interest payable*

Interest payable includes interest payable and net foreign exchange losses that are recognised in the income statement. Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in the income statement as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

##### *Deferred finance costs*

Costs associated with raising finance are included within other debtors in the balance sheet and amortised over the term of the relevant financing at a constant rate over the carrying amount.

#### 1.7 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. A provision is recognised for those matters for which the tax determination is uncertain but is considered probable that there will be a future outflow of funds.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 1 Accounting policies (continued)

#### 1.7 Taxation (continued)

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

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

### 2 Operating loss

#### Auditors' remuneration:

The audit fee for the Company for the year of €9,866 (2021: €7,361) was borne by a fellow group undertaking. There were no non-audit fees in the current or prior year.

#### Staff costs and directors' remuneration:

The Company had no employees during the year, other than directors (2021: nil). No director received any fees or remuneration in respect of their services as a director of the Company during the financial year (2021: €nil).

### 3 Interest receivable and similar income

	2022 €m	2021 €m
Interest receivable from group undertakings	32.4	33.9
Net foreign exchange gains	-	15.7
Other interest	1.0	-
	<u>33.4</u>	<u>49.6</u>

### 4 Interest payable and similar expenses

	2022 €m	2021 €m
Interest payable to group undertakings	3.8	-
Net foreign exchange losses	6.4	-
Other interest payable	-	0.1
Amortisation of debt issue costs	0.1	0.1
	<u>10.3</u>	<u>0.2</u>

**Notes to the financial statements (continued)**  
*for the year ended 31 December 2022*

**5 Tax on profit**

*Recognised in the income statement*

	2022 €m	2021 €m
<i>UK corporation tax</i>		
Current tax on loss for the financial year	4.3	9.3
Adjustments in respect of prior periods	0.2	(0.7)
Overseas tax	0.1	-
	<hr/>	<hr/>
Tax on profit	4.6	8.6
	<hr/>	<hr/>

*Reconciliation of standard tax rate*

	2022 €m	2021 €m
Profit before taxation	22.5	49.0
	<hr/>	<hr/>
Profit before taxation multiplied by the standard rate of tax in the UK of 19.0% (2021: 19.0%)	4.3	9.3
Adjustments in respect of prior periods	0.2	(0.7)
Overseas tax	0.1	-
	<hr/>	<hr/>
Total tax charge	4.6	8.6
	<hr/>	<hr/>

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021.

**6 Investments**

	Shares in group undertakings €m
<i>Cost</i>	
At 1 January 2021 and 31 December 2022	229.9
<i>Provisions for impairment</i>	
At 1 January 2021 and 31 December 2022	(229.9)
	<hr/>
<i>Net book value</i>	
At 31 December 2021 and 31 December 2022	-
	<hr/>



## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 6 Investments (continued)

As at 31 December 2022, the Company had the following investments in subsidiaries:

Company	Country of incorporation	Registered office reference	Principal activity	Class of shares held	Ownership 2022	Ownership 2021
INOVYN Newton Aycliffe Limited*	UK	(A)	Non-trading	Ordinary	100%	100%
INEOS Newton Aycliffe Trustees Limited	UK	(A)	Pension trustee	Ordinary	100%	100%
INOVYN Services Limited	UK	(A)	Non-trading	Ordinary	100%	100%
INOVYN ChlorVinyls Holdings Limited*	UK	(A)	Holding company	Ordinary	100%	100%
INOVYN Newco 2 Limited	UK	(A)	Holding company	Ordinary	100%	100%
INOVYN ChlorVinyls Limited	UK	(A)	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%
INOVYN Americas Inc	USA	(C)	Purchase and resale of chemicals	Ordinary	100%	100%
INOVYN Sales International Limited <sup>(2)</sup>	UK	(A)	Non-trading	Ordinary	100%	100%
INEOS Chlor Trustees Limited	UK	(A)	Pension trustee	Ordinary	100%	100%
INEOS Vinyls UK Limited <sup>(1)</sup>	UK	(A)	Non-trading	Ordinary	100%	100%
INOVYN Schkopau GmbH*	Germany	(B)	Non trading	Ordinary	90%	90%
INOVYN Sales GmbH	Germany	(B)	Non trading	Ordinary	100%	100%
EVC Pension Trustees Limited	UK	(A)	Pension trustee	Ordinary	100%	100%
INOVYN Energy Limited	UK	(A)	Holding company	Ordinary	100%	100%
INEOS Vinyls GmbH & Co KG	Germany	(B)	Holding company	Limited partner	100%	100%
TTE Training Limited	UK	(D)	Training company	Limited by Guarantee	100%	100%
TTE Apprenticeship Training Agency Limited	UK	(D)	Apprenticeship company	Limited by Guarantee	100%	100%

\* Shares held directly by the Company

(1) INEOS Vinyls UK Limited was dissolved in April 2023 following liquidation

(2) INOVYN Sales International Limited was dissolved in January 2023 following liquidation.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 6 Investments (continued)

The registered office addresses of the investments disclosed in this note are:

Reference	Registered office address
(A)	Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom
(B)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(C)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(D)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT

### 7 Debtors

	2022 €m	2021 €m
<b>Debtors: amounts due within one year</b>		
Amounts owed by group undertakings	1,368.3	1,147.4
Amounts owed by group undertakings – group relief	-	0.3
Other debtors	0.2	0.3
	<u>1,368.5</u>	<u>1,148.0</u>

Amounts owed by group undertakings are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

	2022 €m	2021 €m
<b>Debtors: amounts due after more than one year</b>		
Amounts owed by group undertakings	171.0	160.5
	<u>171.0</u>	<u>160.5</u>

Amounts owed by group undertakings include €171.0 million (2021: €160.5 million) receivable from INEOS Norway Finance Ireland Limited. Interest is charged at a rate of 4% per annum and there is no fixed date of repayment. These amounts are not expected to be settled within 12 months of the balance sheet date and have therefore been classed as non-current debtors.

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

	2022 €m	2021 €m
Amounts owed to group undertakings (note 9)	2,381.8	2,186.3
Amounts owed to group undertakings – group relief	4.2	-
Accruals and deferred income	-	0.3
	<u>2,386.0</u>	<u>2,186.6</u>

Amounts owed to group undertakings attract no interest and are payable on demand.

## Notes to the financial statements (continued)

for the year ended 31 December 2022

### 9 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

#### Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2022 €m	Carrying amount 2022 €m	Face value 2021 €m	Carrying amount 2021 €m
Current loans from group undertakings	€	1.01% – 2.39%	None	2,381.8	2,381.8	2,186.3	2,186.3

None of the loans outstanding as at 31 December 2022 are secured or repayable in instalments (2021: €nil).

#### Securitisation facility

The Company and certain other INOVYN business' companies are party to a trade receivables securitisation programme (the "INOVYN Securitisation Programme") with Barclays Bank PLC, ING Belgium N.V. and HSBC Bank PLC who act as lenders, liquidity providers and programme agents. On 28 June 2021, the Group renegotiated its INOVYN Securitisation Programme. The maximum amount available under the INOVYN Securitisation Programme is €240.0 million subject to a borrowing limit that is adjusted periodically based on the amount of eligible trade receivables at that time. The facility is secured on certain of the Group's trade receivables and matures on 30 June 2024.

Up until 28 June 2021, for drawn amounts, the INOVYN Securitisation Programme facility bore interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 1.1%, except that if any lending was funded other than by issuing Commercial Paper then the applicable interest rate was EURIBOR / LIBOR plus 1.1%. For undrawn amounts, the facility bore interest of 0.5%. From 28 June 2021, for drawn amounts, the revised facility bears interest at a rate equal to the cost to the lenders of issuing Commercial Paper plus a margin of 0.95%, except that if any lending is funded other than by issuing Commercial Paper then the applicable interest rate is SONIA/SOFR plus 0.95%. For undrawn amounts, the facility bears interest of 0.5%.

#### Other facilities

The Company entered into on-demand letter of credit facilities with each of ING Bank N.V. and Barclays Bank PLC (each, an "Issuing Bank"), under which the Company may request (on its own behalf or on behalf of other INOVYN subsidiaries) that the Issuing Banks issue letters of credit, guarantees, performance bonds and indemnities (or any other instrument in a form agreed by the Issuing Bank) with an aggregate base currency amount of up to €40.0 million; €30.0 million of which is available under the ING Bank N.V. facility and €10.0 million of which is available under the Barclays Bank PLC facility.

At 31 December 2022, €9.3 million (2021: €9.9 million) of certain bank guarantees and letters of credit of the Group were provided for. Under the terms of each Letter of Credit Facility, the Company will provide cash collateral of the value of outstanding letters of credit, bonds, guarantees and indemnities when provided. These facilities are uncommitted and there is no expiry date.

## **Notes to the financial statements (continued)**

*for the year ended 31 December 2022*

### **10 Called up share capital**

**At 31 December 2021 and 31 December 2022**

	<b>Number</b>	<b>€</b>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<b>3</b>	<b>3</b>
	<hr/>	<hr/>
Shares classified in shareholder's deficit	<b>3</b>	<b>3</b>
	<hr/>	<hr/>

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

### **11 Controlling parties**

The Company's immediate parent undertaking is INOVYN Finance Limited, a company registered in England and Wales.

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest group that consolidated the Company's financial statements as at 31 December 2022 was INEOS Inovyn Limited. The consolidated financial statements of INEOS Inovyn Limited are available to the public and may be obtained from the Company Secretary at its registered address: Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. The consolidated financial statements of INEOS Industries Limited are available to the public and may be obtained from the Company Secretary at its registered office: Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

### **12 Critical accounting judgements and key sources of estimation uncertainty**

The Company prepares its financial statements in accordance with Financial Reporting Standard 101 ("FRS 101"), which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following areas are considered to involve a significant degree of judgement or estimation.

#### **Critical judgements in applying the Company's accounting policies**

The directors do not consider there to be any critical judgements in applying the Company's accounting policies.

#### **Key sources of estimation uncertainty**

The directors do not consider there to be any key assumptions concerning the future or other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.