

**INEOS Runcorn (TPS) Limited**

**Annual report and financial statements**

**Registered number 06575668**

**31 December 2020**



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## Strategic report for the year ended 31 December 2020

The Directors present their Strategic report of INEOS Runcorn (TPS) Limited (the "Company") for the year ended 31 December 2020.

### Review of the business

The Company is a wholly owned subsidiary of INEOS Runcorn (TPS) Holdings Limited.

The Company's main activity is to operate a combined heat and power energy from waste plant ("EfW plant"), under a 25 year contract with the Greater Manchester Combined Authority (GMCA). The Company has no other activities.

Turnover represents sales revenue for waste processed and energy exported. Cost of sales represents process chemicals, variable operations costs and depreciation.

### Results and performance

The results of the Company, as set out on page 10, show a profit before tax of £2.375 million (2019: £0.785 million). The shareholders' funds, as set out on page 12, of the Company totalled £79.138 million (2019: £72.760 million).

Turnover decreased from £40.838 million in 2019 to £38.997 million in 2020, a reduction of 4.5%. The decrease in turnover is as a result of a reduction in the availability fee due from GMCA for this contract year. The EBITDA (earnings before interest, tax, depreciation and amortisation) for the current year is £20.6 million (2019: £22.10 million), lower in the period albeit increased productivity, the reduction being linked to the lower revenue. Profit before tax has increased in the year due to a lower depreciation charge in the period.

The Company operated for the entire year without a single reportable injury or reportable environmental incident as was the case in the preceding year.

### Principal risks and uncertainties

The principal business of the Company is the operation of an EfW plant. Although the Company is operating under long term supply (input of fuel) and sales (output-sales of energy) contracts, the management of the business and execution of the Company's strategy are still subject to a number of risks. The key business risks affecting the Company are set out below:

- Regulation - the Company operates in a highly regulated environment. However, the Company has minimised this risk by employing a third party operating company who have a significant track record of successfully operating similar plants.
- Safety, health and the environment ("SHE") - the Company's facilities are subject to operating risks, including the risk of environmental contamination and safety hazards. The Company and its operator set strict health, safety and environmental performance targets and are committed to continuous improvement in all aspects of operations, with the view to meeting and exceeding all relevant legislation requirements in this area. Safety, health and the environment is managed as an integral part of activities through a formal management system.
- Inability to process fuel - the Company may be adversely affected if it is unable to implement its chosen strategy to maximise fuel processing. Risks are two-fold; the risk of plant failure (minimised by a carefully coordinated and well resourced programme of preventative maintenance, planned shutdown and overhauls, and offline storage of key operating components) and of logistics interruption (minimised by flexibility in the supply pipeline and regular planning meetings between supplier and plant management). The operator has experience in operating similar plants and its staff participate in a number of cross group teams that strive to share best practice to ensure plants are fully optimised. Engineering teams are also in place to react quickly and effectively when any issues do arise.
- Existing and proposed regulations to address climate change through reductions of greenhouse gas emissions and restrictions on other air emissions may cause the Company to incur significant costs or affect demand for products.

## Strategic report for the year ended 31 December 2020

### Principal risks and uncertainties (continued)

- Cyber security risks – a cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss. Various IT protocols and programmes are in place to provide availability, confidentiality and an overall security approach to all systems and business processes, including cyber security controls, like intrusion detection/intrusion prevention, firewalls, mobile device management, malware and virus protection, notebook encryption, secure VPN access, network segmentation, industrial control system security monitoring, email and internet security, security information and event management, threat and vulnerability management.
- United Kingdom withdrawal from the European Union - the Company's operations may be adversely affected by the withdrawal of the United Kingdom from the European Union. The Company and its shareholders have made significant plans to limit the impact of Brexit on its activities.
- Outbreaks of disease – the outbreak of contagious diseases may have a negative impact on the Company's business and performance. During the course of 2020 and into 2021, the Company has managed the outbreak of the COVID-19 coronavirus by implementing various measures to ensure the safety of those working on the plant and the ongoing operation of the plant.

### Key performance indicators

The Board monitors the progress of the Company by reference to the following KPIs:

	2020	2019
Reportable injuries and environmental incidents	0	0
Waste processed (kT)	479.92	454.99
EBITDA £m	20.6	22.1

The above KPI's have been discussed in the results and performance section above.

### Section 172(1) statement

The directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on communities, customers, suppliers and the environment. The directors focus on engagement with all stakeholders, and uses this when taking decisions.

#### *The likely consequences of any decision in the long-term*

The Company's principal objective is to maintain its position as a key operating asset of its shareholders. To achieve this objective the Company has the following key strategies:

- Maintain health, safety, security and environmental excellence;
- Reduce costs;
- Maximise utilisation of assets

The directors believe these are the critical long-term factors for the success of the Company. The directors decision making has supported the implementation of the strategy. Examples of this include the implementation of working practices to protect health during the Covid-19 pandemic, rigorous implementation of risk improvements identified by insurers and the targeted investment in improving asset integrity such as tube replacement and material upgrade.

The Company aims to operate and develop its business in a way that supports both the current and future needs, taking into account relevant economic, environmental and social factors. This enables the Company to sustain the business for the long term. The directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Company.

#### *Stakeholder considerations*

Engaging stakeholders and developing meaningful partnerships is essential for long-term business success. The Company engages in regular, open and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns and needs. In this way, the Company is able to integrate stakeholder's considerations into the business decision-making process. Dialogue with stakeholders gives the Company the opportunity to explain its clear and committed approach to sustainability as well as the value of the Company's work, products and services for society.

## Strategic report for the year ended 31 December 2020 (continued)

Key stakeholders contribute to the Company's economic, social and environmental performance. Stakeholders include shareholders, suppliers, customers, local communities, industry associations and government.

The Company is very conscious of changing attitudes to climate change, and monitors its impact on the environment and the potential impacts of climate change on its business, whether arising from regulatory change, changing weather patterns or other factors. These matters are considered by the directors in making decisions and in assessing the long-term viability of the business.

### *The need to act fairly between members of the Company*

The shareholders of immediate parent, INEOS Runcorn (TPS) Holdings Limited share control and the board of directors is made up of representatives of each shareholder. The interests of the shareholders are taken into account by the directors to promote fairness in decision making.

### **Streamlined Energy and Carbon Reporting ("SECR")**

The Company is classified as a large unquoted company due to its size and shareholding structure.

The company owns, operates and maintains a combined heat and power energy from waste plant ("EfW plant") based in the United Kingdom. The purpose of the EfW plant is to generate energy from the processing of residual waste (known as solid recovered fuel, or SRF). Energy is exported from the facility to INOVYN ChlorVinyls Limited's (a related party) nearby chemical manufacturing site.

The Company aims to maximise the amount of SRF that is processed (within planning and environmental permitting limits), and to optimise the energy conversion efficiency of the facility. Approximately half of the SRF received is composed of biomass material.

Natural gas is used for auxiliary firing of the boilers during start-up and shut-down. Diesel fuel is used for routine testing of the emergency diesel generators, and for the shuttle trucks that transport containers between the railhead and the tipping hall.

The Company has no employees and has no direct responsibility for any business travel.

This SECR report covers the reporting period from 1 January 2020 and 31 December 2020.

### **Energy and emissions data**

	Units	2020	2019
<b>Gross energy consumptions</b>			
Scope 1 energy consumption used to report emissions (solid recovered fuel, natural gas and diesel fuel)	kWh	1,601,213,489	1,565,039,755
Scope 2 energy consumption used to report emissions (imported electricity)	kWh	2,918,773	676,436
<b>Emissions</b>			
Scope 1 emissions from combustion of fossil fuels	tonnes CO <sub>2</sub> e	238,705	251,533
Scope 2 emissions from purchased electricity	tonnes CO <sub>2</sub> e	680	173
<b>Intensity ratios</b>			
Fossil-related emissions per tonne of SRF processed	tonnes CO <sub>2</sub> e per tonnes SRF	0.50	0.56

### **Calculation methodology**

The methodologies used in the collation and reporting of the above information are consistent with those used with the Office of Gas and Electricity Markets (Ofgem) and the Combined Heat and Power Quality Assurance programme (CHPQA) (for applications for Renewable Obligation Certificates and good quality CHP assessment respectively).

The scope 1 energy consumption was higher in 2020 than in 2019 as more SRF was processed due to increased equipment availability. The scope 2 consumption was higher due to the need to import electricity to power the plant load during the unplanned turbine outage in October / November.

## Strategic report for the year ended 31 December 2020 (continued)

### Streamlined Energy and Carbon Reporting ("SECR") (continued)

The scope 1 emissions were reduced from 2019 to 2020 due to the higher biomass (and hence lower fossil-derived) content.

#### Energy efficiency

The company has no direct control over the biomass content of the SRF received: It does however, review this value with the SRF suppliers monthly, and any significant changes are investigated and mitigated where possible.

The operator of the EfW plant is accredited to ISO 14001:2015 and, on behalf of the company, actively reviews opportunities for improving energy efficiency. In 2021 / 2022, the measures being evaluated include the use of energy efficient lighting throughout the site.

#### Strategic future developments

The Company operates under long term (25 years to 2034) contracts and anticipates the successful completion of these contracts.

#### COVID-19 coronavirus

COVID-19 was classified as a Public Health Emergency of International Concern by the World Health Organisation in March 2020.

The facility has continued to operate having maintained sufficient resources and having implemented measures to ensure that this remains the case throughout the pandemic, including social distancing, hygiene measures and work from home policies during lockdown. Any safety critical activity was formally risk assessed to take cognisance of additional controls necessary to protect core personnel from COVID-19, hence safeguarding safety critical work at all times.

As of the date of these financial statements, despite the availability of vaccines, government measures continue to be imposed and continued around the world as new strands of the COVID-19 virus have been discovered. The COVID-19 pandemic situation is dynamic, and updates on travel restrictions, shutdowns on non-essential businesses and shelter-in-place/stay-at-home orders are continually evolving. The extent of the COVID-19 outbreak's effects on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and the government measures implemented in response, or whether widespread shutdowns return, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. Although the directors cannot predict the extent and duration of COVID-19 crisis, the directors have undertaken a rigorous assessment of the potential impact of COVID-19 on demand for its products and the impact on margins for over 12 months from the date of signing these financial statements.

Whilst there is significant uncertainty due to the COVID-19 crisis, on the basis of the assessment described above, together with a strong balance sheet, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Approved on behalf of the Board

Julie Taylorson

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JD Taylorson  
Director  
17<sup>th</sup> September 2021

## Directors' report for the year ended 31 December 2020

The Directors present their report together with the financial statements and auditor's report of INEOS Runcorn (TPS) Limited (the 'Company') for the year ended 31 December 2020.

### Results for the year

The results of the Company are set out in the statement of comprehensive income on page 10 which shows a profit before tax of £2.375 million (2019: £0.785 million).

### Dividends

The Directors do not recommend the payment of a dividend (2019: £nil).

### Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate, despite the significant uncertainty due to the COVID-19 crisis, on the basis of the assessment referred to in the Strategic Report and within the accounting policy on page 15.

### Future developments

Refer to the Strategic report on page 4.

### Subsequent events

#### *United Kingdom withdrawal from the European Union ("Brexit")*

On 23 June 2016, the UK held an in or out referendum on the UK's membership within the EU, the result of which favoured the exit of the UK from the European Union ("Brexit"). On 31 January 2020, Brexit became effective and the UK entered into a transition period from 31 January 2020 to 31 December 2020 during which the European Union treated the UK as if it were still a member of the European Union (the "Transition Period"). Following the expiry of the Transition Period, the UK ceased to be treated as a member of European Union at 23:00 on 31 December 2020. A trade agreement was signed between the EU and the United Kingdom on 24 December 2020.

### Donations

The Company made no political donations in the year (2019: £nil).

### Financial risks

The Company has taken steps to minimise financial risks, commensurate with the nature of its business and its structure. Price risk is managed by long term supply (input of fuel) and sales (output - sales of energy) contracts. Credit risk is managed by a set of policies for ongoing credit checks on potential and current customers or counterparties.

### Directors

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

JD Taylorson

MJ Maher (alternate for JD Taylorson, resigned 1 March 2021)

D J Horrocks (alternate for JD Taylorson, appointed 1 March 2021)

W Bleukx

F Rourke (resigned 23 July 2021)

GP Rowland

RJ Pennells (resigned 8 June 2021)

PG Dorel (alternate for GP Rowland and RJ Pennells, resigned 8 June 2021)

PG Dorel (appointed 8 June 2021)

PAT Davies (alternate for GP Rowland & PG Dorel, appointed 8 June 2021)

NM Bouckley (appointed 23 July 2021)

### Directors' indemnities

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertakings 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 2020 (continued)

### Employees

The Company had no employees during the year or the previous year.

### Engagement with suppliers, customers and others

Details of the Directors' approach to fostering the Company's business relationships with suppliers, customers and others can be found within the Strategic Report.

### Health and safety

The Company continually strives to meet, and where possible, exceed strict health, safety and environmental performance targets. It is committed to continuous improvement in all aspects of its operations. Through its Safety, Health, Environment Quality ("SHEQ") Policy, the Company aims to be amongst the industry leaders in health, safety and environmental protection, ensuring our outputs meet society's increasing environmental requirements. Specifically, the Company works to two guiding principles. The first being to protect the health and safety of its operators; the communities in which it operates; and the users of its outputs. Secondly, the Company seeks to minimise the effects on the environment from its operations.

### Corporate social responsibility

The Company operates in full accordance with all prevailing laws and regulations in its jurisdiction of operation. The Company's Executive Committees and business management teams have access to a comprehensive range of legal advice to ensure that they are kept abreast and remain compliant with such issues.

### 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

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

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



## **Directors' report for the year ended 31 December 2020 (continued)**

### **Independent auditors**

Deloitte LLP have expressed their willingness to continue in office as auditor pursuant to Section 487 of the Companies Act 2006. As a consequence of the Company having passed a written shareholder resolution, there is no requirement to reappoint Deloitte LLP as auditors of the Company on an annual basis.

### **Registered address**

INEOS Runcorn (TPS) Limited  
Banks Lane Office  
Banks Lane  
PO Box 9  
Runcorn  
Cheshire  
WA7 4JE  
United Kingdom

Approved on behalf of the Board

**Julie  
Taylorson**

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Taylorson  
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JD Taylorson  
Director  
17<sup>th</sup> September 2021

## Independent auditor's report to the members of INEOS Runcorn (TPS) Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of INEOS Runcorn (TPS) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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.

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,

## **Independent auditor's report to the members of INEOS Runcorn (TPS) Limited (continued)**

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.

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

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.

## **Independent auditor's report to the members of INEOS Runcorn (TPS) Limited (continued)**

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**

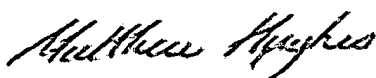
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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) (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom

17 September 2021

## Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	1	38,997	40,838
Cost of sales		(15,684)	(17,167)
<b>Gross profit</b>		<b>23,313</b>	<b>23,671</b>
Administrative expenses		(12,402)	(13,423)
<b>Operating profit</b>	2	<b>10,911</b>	<b>10,248</b>
Interest payable and similar expenses	5	(8,536)	(9,463)
<b>Profit before taxation</b>		<b>2,375</b>	<b>785</b>
Tax on profit	6	4,003	(2,830)
<b>Profit/(loss) for the financial year</b>		<b>6,378</b>	<b>(2,045)</b>
<b>Total comprehensive income/(expense) attributable to:</b>			
Shareholders of the parent company		6,378	(2,045)

All activities of the Company relate to continuing operations.

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

## Balance sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Property, plant & equipment	7	126,912	138,558
		<b>126,912</b>	<b>138,558</b>
<b>Current assets</b>			
Stock	8	2,912	-
Debtors – amounts falling due within one year	9	6,750	6,715
Cash and cash equivalents	10	22,749	16,872
		<b>32,411</b>	<b>23,587</b>
Creditors: amounts falling due within one year	11	(9,165)	(12,461)
<b>Net current assets</b>		<b>23,246</b>	<b>11,126</b>
<b>Total assets less current liabilities</b>		<b>150,158</b>	<b>149,684</b>
Creditors: amounts falling due after more than one year	12	(71,020)	(76,924)
<b>Net assets</b>		<b>79,138</b>	<b>72,760</b>
<b>Capital and reserves</b>			
Share capital	15	250	250
Retained earnings		78,888	72,510
<b>Shareholders' funds</b>		<b>79,138</b>	<b>72,760</b>

These financial statements on pages 11 to 25 were approved by the board of directors on 17<sup>th</sup> September 2021 and were signed on its behalf by:

JD Taylorson  
Director

Julie Taylorson<sup>†</sup> Digitally signed by Julie Taylorson  
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INEOS Runcorn (TPS) Limited

Company registered number: 06575668

## Statement of changes in equity for the year ended 31 December 2020

	Share capital £'000	Retained earnings £'000	Shareholders' funds £'000
Balance at 1 January 2019	250	74,555	74,805
<b>Total comprehensive expense for the year</b>			
Loss for the financial year	-	(2,045)	(2,045)
<b>Balance at 31 December 2019</b>	<b>250</b>	<b>72,510</b>	<b>72,760</b>
<b>Total comprehensive expense for the year</b>			
Profit for the financial year	-	6,378	6,378
<b>Balance at 31 December 2020</b>	<b>250</b>	<b>78,888</b>	<b>79,138</b>

## Cash flow statement for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Cash flow from operating activities</b>			
Operating profit		10,911	10,248
<i>Adjustments for:</i>			
Depreciation	7	9,736	11,848
Increase in inventories		(895)	-
(Increase) / decrease in trade and other debtors	8	(35)	5,398
(Decrease) in trade and other creditors		(660)	(8,885)
Tax		2,082	-
<b>Net cash generated from operating activities</b>		<b>21,139</b>	<b>18,609</b>
<b>Cash flow from investing activities</b>			
Purchase of Property, plant & equipment	7	(108)	(431)
<b>Net cash used in investing activities</b>		<b>(108)</b>	<b>(431)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(15,154)	(15,604)
<b>Net cash used in financing activities</b>		<b>(15,154)</b>	<b>(15,604)</b>
Net increase in cash and cash equivalents		5,877	2,574
Cash and cash equivalents at 1 January		16,872	14,298
<b>Cash and cash equivalents at 31 December</b>		<b>22,749</b>	<b>16,872</b>



## Accounting Policies

### General information

INEOS Runcorn (TPS) Limited (the "Company") is a private company, incorporated under the Companies Act 2006 in the United Kingdom, registered in England and Wales and limited by shares. The address of the Company's registered office is shown on page 7.

### Statement of compliance and accounting policies

These financial statements were prepared in accordance with the Companies Act 2006 and the Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18. The functional currency of the Company is considered to be sterling because that is the currency of the primary economic environment in which the Company operates.

### Measurement convention

The financial statements are prepared on the historical cost basis modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company has applied the amendments to FRS 102 issued by the FRC in December 2017 with effect from 1 January 2020.

### Going concern

Whilst there is significant uncertainty due to the COVID-19 crisis, on the basis of the assessment as referred to within the Strategic Report, together with a strong balance sheet, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

In assessing whether the financial statements should be prepared on a going concern basis, the Company has considered the funding position and financial projections of the company, including stress test sensitivities, and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. In arriving at this conclusion, the directors have considered the principal risks and uncertainties and financial risks that the business is exposed to, discussed further in the Strategic Report on pages 2 and 3, including the uncertainties the Company faces arising from the impact of COVID-19.

The Company monitors its funding position and its liquidity risk throughout the year to ensure it has sufficient funds to meet its forecast cash requirement.

Although the Directors cannot predict the extent and duration of the COVID-19 pandemic and the impact that this will have, particularly on demand, as above the directors have undertaken a rigorous assessment of the potential impact for at least 12 months from the date of signing of these financial statements. In conclusion, the stress testing and sensitivity analysis on both EBITDA and cash flow has indicated that the Company would still have sufficient cash flow to meet its obligations as they fall due based on available cash. The Company expects to remain able to meet its obligations during the going concern period, including in a stressed scenario.

The base assumptions indicate that the Company expects to be able to have sufficient finance headroom for at least 12 months from the date of approval of these financial statements. As such, the directors have a reasonable expectation that the Company has adequate resources to continue its operation in the foreseeable future. Therefore, the directors consider that preparing the financial statements on the going concern basis continues to be appropriate.

### Subsequent events

*United Kingdom withdrawal from the European Union ("Brexit")*

On 23 June 2016, the UK held an in or out referendum on the UK's membership within the EU, the result of which

## Accounting Policies (continued)

### Subsequent events (continued)

favoured the exit of the UK from the European Union (“Brexit”). On 31 January 2020, Brexit became effective and the UK entered into a transition period from 31 January 2020 to 31 December 2020 during which the European Union treated the UK as if it were still a member of the European Union (the “Transition Period”). Following the expiry of the Transition Period, the UK ceased to be treated as a member of European Union at 23:00 on 31 December 2020. A trade agreement was signed between the EU and the United Kingdom on 24 December 2020. The Company has considered the impact of this but does not believe it will be significant to its activities.

### Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company’s own equity instruments or is a derivative that will be settled by the Company’s exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

### Basic financial instruments

#### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

### Property, plant and equipment

During the initial build and commissioning phases, all costs directly attributable to the construction of plant and equipment are capitalised as part of the cost of assets under construction, as incurred. The total value of assets under construction is transferred to plant and machinery, fixtures and fittings upon completion, from which time depreciation is charged. All further spend on plant and equipment are capitalised as plant and machinery, fixtures and fittings and depreciated with immediate effect.

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The company assesses at each reporting date whether property, plant and equipment are impaired.

## Accounting Policies (continued)

### Property, plant and equipment (continued)

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- plant and machinery, fixtures and fittings – until end of the original PFI contract in 2034.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### Impairment excluding deferred tax assets

#### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through the statement of comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the statement of comprehensive income.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

#### *Non-financial assets*

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated to the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Turnover

Turnover represents the invoiced value of fees for waste processing and for the sale of energy, net of sales' discounts, value added taxes and duties. Turnover is recognised when the significant risks and rewards of ownership have passed to the customer and it can be reliably measured. The pricing for products sold is determined by long term supply contracts. Turnover arising from sales is recognised when the waste has been processed or energy exported, depending on the relevant contract terms and the point at which risk and rewards have been transferred to the customer when the prices are determinable.

## Accounting Policies (continued)

### Expenses

#### *Interest payable and Interest receivable*

Interest payable and similar charges include interest payable recognised in the statement of comprehensive income using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Other interest receivable and similar income includes interest receivable on cash held.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period.

## Notes to the financial statements for the year ended 31 December 2020

### 1 Turnover

The Company's activities consist of the UK processing of waste for conversion into energy. All of the Company's turnover originates from and remains within the United Kingdom.

*Analysis of turnover by category*

	2020 £'000	2019 £'000
Processing of waste	24,623	25,748
Sale of energy	14,734	15,090
	<b>38,997</b>	<b>40,838</b>

### 2 Operating profit

	2020 £'000	2019 £'000
<b>Included in operating profit are the following:</b>		
Auditors' remuneration*	25	24
Rentals payable under operating leases		
Land	354	345
Depreciation	9,736	11,848

\*No non-audit services have been provided to the company (2019: £nil).

### 3 Staff numbers and costs

The Company had no employees, other than directors, during the year or the previous year.

### 4 Directors' remuneration

None of the directors received any emoluments in respect of services to the Company (2019: £nil).

### 5 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest payable on loans from fellow group undertakings	8,536	9,463
	<b>8,536</b>	<b>9,463</b>

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 6 Tax

#### Recognised in the statement of comprehensive income

	2020 £'000	2019 £'000
<b>Current tax on profit :</b>		
UK corporation tax	178	-
Adjustments in respect of prior years	(6,158)	4,077
<b>Total current tax</b>	<b>(5,980)</b>	<b>4,077</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,021	474
Adjustments in respect of prior years	956	(1,721)
<b>Total deferred tax</b>	<b>1,977</b>	<b>(1,247)</b>
<b>Tax (credit)/charge</b>	<b>(4,003)</b>	<b>2,830</b>

#### Reconciliation of tax (credit)/charge

	2020 £'000	2019 £'000
Profit before taxation	2,375	785
Profit before taxation multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	451	149
Effects of:		
Expenses not deductible for tax purposes	748	325
Adjustments in respect of prior years	(5,202)	2,356
<b>Total tax (credit)/charge</b>	<b>(4,003)</b>	<b>2,830</b>

#### Factors affecting future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020.

In the 2020 budget it was announced that the corporation tax main rate would remain at 19% for the financial year beginning 1 April 2020, rather than reducing it to 17% from 1 April 2020. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021. On 11 March 2021, the Finance Bill 2021 was announced which increased the rate of Corporation Tax to 25% on profits over £250,000 from April 2023, deferred tax assets have not been restated for this change.

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 7 Property, plant and equipment

	Plant and Machinery, fixtures and fittings £'000	Total £'000
<b>Cost</b>		
At 1 January 2019	309,109	309,109
Additions	431	431
At 31 December 2019	309,540	309,540
Reclassification (see note 8)	(2,585)	(2,585)
Additions	108	108
<b>At 31 December 2020</b>	<b>307,063</b>	<b>307,063</b>
<b>Accumulated depreciation and impairment</b>		
At 1 January 2019	159,134	159,134
Charge for the year	11,848	11,848
At 31 December 2019	170,982	170,982
Reclassification (see note 8)	(567)	(567)
Charge for the year	9,736	9,736
<b>At 31 December 2020</b>	<b>180,151</b>	<b>180,151</b>
<b>Net book value</b>		
<b>At 31 December 2020</b>	<b>126,912</b>	<b>126,912</b>
At 31 December 2019	138,558	138,558

#### Security

There is a fixed and floating charge over assets of the Company.

#### Property, plant and equipment

Included within property, plant and equipment is capitalised interest of £36.185 million (2019: £38.915 million).

### 8 Stocks

	2020 £'000	2019 £'000
Raw materials and consumables	2,912	-

During the year engineering spares were reclassified from property, plant and equipment to stocks.

Raw materials and consumables recognised as cost of sales in the year amounted to £0.5 million (2019: £0.3 million). There were no material write downs or reversal of write-downs of stock during the financial year (2019: £nil).

No stocks were pledged as security for liabilities in the year (2019: £nil).

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 9 Debtors – amounts falling due within one year

	2020 £'000	2019 £'000
Trade debtors	2,304	1,899
Amounts owed by related parties (see note 16)	2,716	3,011
Prepayments and accrued income	1,730	1,393
Other debtors	-	412
	<b>6,750</b>	<b>6,715</b>

The amounts owed by related parties relate to trading balances, are interest free and repayable on normal commercial terms typically between 20 and 30 days.

### 10 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash and cash equivalents	22,749	16,872

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

	2020 £'000	2019 £'000
Trade creditors	-	13
Amounts owed to related parties (see note 17)	6,873	7,629
Other creditors	2,114	742
Corporation tax	178	4,077
	<b>9,165</b>	<b>12,461</b>

No creditors relate to convertible debt (2019: £nil)

The amounts owed to related parties save for those as referred to in note 13, relate to trading balances, are interest free and repayable on agreed terms typically between 20 and 50 days.

### 12 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Amounts owed to related parties (see note 17)	64,624	72,505
Deferred tax liability (see note 14)	6,396	4,419
	<b>71,020</b>	<b>76,924</b>

The amounts owed to related parties consist of secured shareholder loans. The loans incur interest at a fixed rate of 12.00%.



## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 13 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.

	2020 £'000	2019 £'000
<b>Creditors: amounts falling due within one year</b>		
Loans from related parties	1,955	691
<b>Creditors: amounts falling due after more than one year</b>		
Loans from related parties	64,624	72,505

### 14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Accelerated capital allowances	-	-	(11,037)	(9,853)	(11,037)	(9,853)
Unused tax losses	4,641	5,434	-	-	4,641	5,434
Tax assets/(liabilities)	4,641	5,434	(11,037)	(9,853)	(6,396)	(4,419)

### 15 Capital and reserves

#### Share capital

	2020 Number	2020 £'000	2019 Number	2019 £'000
Ordinary Shares of £1 each	250,000	250	250,000	250
	250,000	250	250,000	250

### 16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land	
	2020 £'000	2019 £'000
Less than one year	362	357
Between one and five years	1,449	1,427
More than five years	3,020	3,329
	4,831	5,113

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 17 Related Parties

#### *Identity of related parties with which the Company has transacted*

The Company is a subsidiary undertaking of INEOS Runcorn (TPS) Holdings Limited. The ultimate controlling parties are the shareholders in the immediate parent company undertaking, who are INOVYN Energy Limited and as of 11 September 2020 Viridor Energy Limited, previously Viridor Waste Management Limited. INOVYN ChlorVinyls Limited is the parent company of INOVYN Energy Limited.

Related party transactions during the year were as follows:

	Sales		Purchases, Expenses and interest	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
INOVYN ChlorVinyls Limited	12,209	11,835	7,360	7,118
INOVYN Energy Limited	-	-	2,095	2,373
Viridor Waste Management Limited	7,907	9,410	20,141	22,292
<b>Total</b>	<b>20,116</b>	<b>21,246</b>	<b>29,596</b>	<b>31,783</b>

	Receivables outstanding		Payables outstanding	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
INOVYN ChlorVinyls Limited	1,318	1,779	943	949
INOVYN Energy Limited	-	-	16,645	18,299
Viridor Waste Management Limited	1,398	1,232	53,909	60,886
<b>Total</b>	<b>2,716</b>	<b>3,011</b>	<b>71,497</b>	<b>80,134</b>

### 18 Controlling parties

The Company is a subsidiary undertaking of INEOS Runcorn (TPS) Holdings Limited. The ultimate controlling parties are the shareholders in the immediate parent company undertaking, who are INOVYN Energy Limited and as of 11 September 2020 Viridor Energy Limited, previously Viridor Waste Management Limited, none of these companies consolidate.

INEOS Runcorn (TPS) Holdings Limited is the smallest and largest group to consolidate these financial statements at 31 December 2020. The consolidated financial statements of INEOS Runcorn (TPS) Holdings Limited 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.

The registered address of INEOS Runcorn (TPS) Holdings Limited is Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE.

### 19 Critical accounting judgements and key sources of estimation uncertainty

The Company prepares its financial statements in accordance with the FRS102, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 19 Critical accounting judgements and key sources of estimation uncertainty (continued)

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

The directors do not consider there to be any critical judgements, apart from those involving estimations, which are presented separately below.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Impairment of assets

The Company considers whether its property, plant and equipment is impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating unit (CGU). This requires estimation of the future cash flows from the CGU and also selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

### 20 Subsequent events

#### *United Kingdom withdrawal from the European Union ("Brexit")*

On 23 June 2016, the UK held an in or out referendum on the UK's membership within the EU, the result of which favoured the exit of the UK from the European Union ("Brexit"). On 31 January 2020, Brexit became effective and the UK entered into a transition period from 31 January 2020 to 31 December 2020 during which the European Union treated the UK as if it were still a member of the European Union (the "Transition Period"). Following the expiry of the Transition Period, the UK ceased to be treated as a member of European Union at 23:00 on 31 December 2020. A trade agreement was signed between the EU and the United Kingdom on 24 December 2020. The Company has considered the impact of this but does not believe it will be significant to its activities.