

**INOVYN Finance Limited**

Annual report and financial statements

Registered number 07027513

31 December 2022

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## Strategic report for the year ended 31 December 2022

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

### Principal activities

The Company’s principal activity is to act as a holding company, to hold debt finance for the INEOS Inovyn group (formerly the INOVYN group) and to provide finance to its fellow group undertakings.

### Review of the business

The results of the Company before tax are set out in the income statement on page 8 which shows a profit before tax of €378.3 million (2021: €967.9 million).

The net assets of the Company at 31 December 2022 were €920.2 million (2021: €904.2 million).

Review of the business and strategic future developments affecting the INEOS Inovyn Limited group, of which the Company is a subsidiary are included in the Directors report on page 3.

### Future developments

At the end of the year there were no immediate plans for a change in the Company’s operations.

### 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, these risks are not considered significant. As the Company is a subsidiary of INEOS Inovyn Limited (formerly INOVYN Limited) all risks are managed at a group level. Further detail of policies in relation to external financial risks can be found in the Annual report and financial statements of INEOS 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 a subsidiary of INEOS Inovyn Limited all stakeholder considerations are managed at a group level. Further details 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 Lane 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  
9 June 2023

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

The directors present their report and the audited financial statements of INOVYN Finance Limited (the "Company") for the year ended 31 December 2022.

### Dividends

An interim dividend of €368.8 million (2021: €515.4 million) was declared during the year. Of the €368.8 million declared in 2022, €350.0 million was settled in June 2022, whilst the €18.8 million remains outstanding. The directors do not recommend the payment of a final dividend (2021: €nil).

### Review of the business

There were no major changes to the Group's debt structure in the year ended 31 December 2022. Gross borrowings at 31 December 2022 consisted of long-term loans of €1,064.3 million (2021: €1,064.3 million) and €41.7 million (2021: €39.8 million) with INEOS Quattro Financing Limited and INEOS Enterprises Holdings Limited respectively, both of which are INEOS related party entities. Interest of €24.2 million (2021: €17.1 million) was paid on the long-term loan of €1,064.3 million with INEOS Quattro Financing Limited in the year.

### 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 assets of €920.2 million (2021: €904.2 million). The Company held cash of €nil (2021: €nil) and loans and borrowings of €1,106.0 million (2021: €1,104.1 million). The profit for the year was €384.8 million (2021: €969.9 million). The directors have received confirmation that the parent, INEOS Inovyn Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom 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.

### Donations

The Company made no political contributions (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.

### Financial risk management

The management of the financial risks and the future development of the Company are included in the Strategic report on page 2.

### 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 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 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; 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.

### Statement of disclosure of information to auditors

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 s148 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 Finance Limited  
Bankes Lane Office  
Bankes Lane  
P.O. Box 9, Runcorn  
Cheshire, WA7 4JE  
United Kingdom

Approved by the Board and signed on its behalf by:



**D J Horrocks**  
Director  
9 June 2023

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

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

#### **Opinion**

In our opinion the financial statements of INOVYN Finance 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 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 balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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.

## **Independent auditor's report to the members of INOVYN Finance Limited (continued)**

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.

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 auditors' report to the members of INOVYN Finance 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**

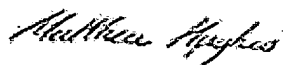
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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) ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom  
9 June 2023

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

	<i>Note</i>	<b>2022</b> <b>€m</b>	<b>2021</b> <b>€m</b>
Administrative expenses		<b>(1.9)</b>	<b>(0.3)</b>
<b>Operating loss</b>	<b>2</b>	<b>(1.9)</b>	<b>(0.3)</b>
Income from shares in group undertakings	3	<b>399.8</b>	642.2
Profit on disposal of investment	4	-	352.9
Interest receivable and similar income	5	<b>11.5</b>	9.6
Interest payable and similar expenses before exceptional finance expenses	6	<b>(31.1)</b>	(30.9)
Exceptional finance expenses	7	-	(5.6)
Interest payable and similar expenses		<b>(31.1)</b>	(36.5)
<b>Profit before taxation</b>		<b>378.3</b>	967.9
Tax on profit	8	<b>6.5</b>	1.7
<b>Profit for the financial year</b>		<b>384.8</b>	969.6

All activities of the Company relate to continuing operations.

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

## Balance sheet

*As at 31 December 2022*

	<i>Note</i>	<b>2022 €m</b>	<b>2022 €m</b>	<b>2021 €m</b>	<b>2021 €m</b>
<b>Fixed assets</b>					
Investments	9		151.3		151.3
<b>Current assets</b>					
Debtors: amounts due within one year	10	1,038.7		1,461.4	
Debtors: amounts due after more than one year	10	892.8		461.0	
		<u>1,931.5</u>		<u>1,922.4</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(56.6)</u>		<u>(65.4)</u>	
<b>Net current assets</b>			<u>1,874.9</u>		<u>1,857.0</u>
<b>Total assets less current liabilities</b>			<u>2,026.2</u>		<u>2,008.3</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>(1,106.0)</u>		<u>(1,104.1)</u>
<b>Net assets</b>			<u>920.2</u>		<u>904.2</u>
<b>Capital and reserves</b>					
Called up share capital	14		141.3		141.3
Retained earnings			778.9		762.9
<b>Total shareholders' equity</b>			<u>920.2</u>		<u>904.2</u>

The notes on pages 11 to 20 form part of the financial statements.

These financial statements on pages 8 to 20 were approved by the board of directors on 9 June 2023 and were signed on its behalf by:



**D J Horrocks**  
*Director*

INOVYN Finance Limited

Registered number: 07027513

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

	<i>Note</i>	<b>Called up share capital €m</b>	<b>Retained earnings €m</b>	<b>Total shareholders' equity €m</b>
Balance at 1 January 2021		141.3	308.7	450.0
Profit for the financial year		-	969.6	969.6
<i>Transactions with owners, recorded directly in equity:</i>				
Dividends	14	-	(515.4)	(515.4)
<b>Balance at 31 December 2021</b>		<b>141.3</b>	<b>762.9</b>	<b>904.2</b>

		<b>Called up s share capital €m</b>	<b>Retained earnings €m</b>	<b>Total shareholders' equity €m</b>
Balance at 1 January 2022		141.3	762.9	904.2
Profit for the financial year		-	384.8	384.8
<i>Transactions with owners, recorded directly in equity:</i>				
Dividends	14	-	(368.8)	(368.8)
<b>Balance at 31 December 2022</b>		<b>141.3</b>	<b>778.9</b>	<b>920.2</b>

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

### 1 Accounting policies

INOVYN Finance 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* (“FRS 102”) and the Companies Act 2006. 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 the consolidated financial statements of INEOS Inovyn Limited, which are publicly available. 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. 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.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of INEOS Inovyn Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1; and
- The disclosures required by FRS102.13 Related Party 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 in accordance with the Companies Act 2006 as applicable to companies under FRS 102.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 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 into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in reserves as qualifying net investment hedges.

## Notes to the financial statements

for the year ended 31 December 2022

### 1 Accounting policies (continued)

#### 1.3 Financial instruments

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

A debtor is recognised as current when there is an expectation for the debtor to be realised within a normal operating cycle or within 12 months from the balance sheet date. In all other cases, the debtor is classified as non-current.

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

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

##### *Trade and other receivables*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *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.

##### *Debt restructuring*

The Company derecognises financial liabilities, with the difference between the carrying amount of the financial liability and the consideration taken to the income statement. When debt is modified, the Company analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the effective interest method.

#### 1.4 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.

##### *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*

For 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.

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

### 1 Accounting policies (continued)

#### 1.4 Impairment (continued)

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.

#### 1.5 Expenses

##### *Finance income and cost*

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.6 Taxation

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

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

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

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

#### 1.7 Exceptional items

The presentation of the Company's results separately identifies the effect of the impact of one-off events such as professional fees associated with proposed strategic options and charges for the early settlement of debt. Results excluding these one-off items are used by management and are presented in order to provide readers with a clear and consistent presentation of the underlying performance of the Company.

#### 1.8 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 assets of €920.2 million (2021: €904.2 million). The Company held cash of €nil (2021: €nil) and loans and borrowings of €1,106.0 million (2021: €1,104.1 million). The profit for the year was €384.8 million (2021: €969.6 million). The directors have received confirmation that the parent, INEOS Inovyn Limited, will continue to support the Company for at least the 12 months from the date of signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom 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.

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

### 2 Operating loss

#### *Auditors' remuneration:*

The audit fee for the Company for the year ended 31 December 2022 was €9,866 (2021: €7,361). 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 the directors (2021: nil). No directors received any fees or remuneration in respect of their services as a director of the Company during the financial year (2021: €nil).

### 3 Income from shares in group undertakings

During the year the Company received dividends from subsidiary undertakings of €399.8 million (2021: €642.2 million).

### 4 Profit on disposal of investment

In December 2021 the Company sold its shareholding in INOVYN Deutschland GmbH to INOVYN Chlor Atlantik GmbH for a market value of €494.1 million, realising a profit on disposal of €352.9 million.

### 5 Interest receivable and similar income

	2022 €m	2021 €m
Interest receivable from group undertakings	11.5	9.6
	<u>11.5</u>	<u>9.6</u>

### 6 Interest payable and similar expenses

	2022 €m	2021 €m
Interest payable on Senior Secured Term Loans	-	2.1
Interest payable to related parties	31.1	28.6
Other interest	-	0.2
	<u>31.1</u>	<u>30.9</u>

### 7 Exceptional finance expenses

	2022 €m	2021 €m
Charge on early settlement of debt	-	5.6
	<u>-</u>	<u>5.6</u>

Exceptional finance costs of €5.6 million in 2021 relate to the write-off of unamortised debt issue costs associated with the Senior Secured Term Loan B facility which was repaid in full on 29 January 2021.

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

**8 Tax on profit**

<i>Recognised in the income statement</i>	<b>2022</b>	<b>2021</b>
	<b>€m</b>	<b>€m</b>
<i>UK corporation tax</i>		
Current tax on profit for the financial year	(4.1)	(5.2)
Adjustments in respect of prior periods	(2.4)	3.5
	<hr/>	<hr/>
Tax credit on profit	(6.5)	(1.7)
	<hr/>	<hr/>
 <i>Reconciliation of standard tax rate</i>	 <b>2022</b>	 <b>2021</b>
	<b>€m</b>	<b>€m</b>
Profit before taxation	378.3	967.9
Profit before taxation multiplied by the standard rate of tax in the UK of 19.0% (2021: 19.0%)	71.9	183.9
Non-chargeable income	(76.0)	(189.1)
Adjustment in respect of prior periods	(2.4)	3.5
	<hr/>	<hr/>
Total tax credit	(6.5)	(1.7)
	<hr/>	<hr/>

On 11 March 2021, the Finance Bill 2021 was announced in the United Kingdom, which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023.

**9 Investments**

	<b>Shares in group Undertakings €m</b>
<i>Cost</i>	
At 1 January 2021	326.2
Disposals	(141.2)
	<hr/>
At 31 December 2021	185.0
Disposals	-
	<hr/>
At 31 December 2022	185.0
	<hr/>
<i>Provisions</i>	
At 1 January 2022 and 31 December 2022	(33.7)
	<hr/>
<i>Net book value</i>	
At 31 December 2021	151.3
	<hr/>
At 31 December 2022	151.3
	<hr/>

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

### 9 Investments (continued)

During 2021 the Company sold its shareholding in INOVYN Deutschland GmbH for €494.1 million, resulting in a profit on disposal of €352.9 million.

The directors consider the investments carrying value to be recoverable based on the underlying trade and profitability of its subsidiaries.

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

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INOVYN Group Treasury Limited*	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Europe Limited*	UK	Group entrepreneur	Ordinary	100%	100%	(A)
INOVYN Norge AS*	Norway	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(B)
INOVYN Sverige AB*	Sweden	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(C)
INEOS ChlorVinyls Holdings BV	Netherlands	Holding company	Ordinary	100%	100%	(D)
INOVYN Newton Aycliffe Limited	UK	Non-trading	Ordinary	100%	100%	(A)
INOVYN Services Limited	UK	Non-trading	Ordinary	100%	100%	(A)
INEOS Newton Aycliffe Trustees Limited ..	UK	Pension trustee	Ordinary	100%	100%	(A)
INOVYN ChlorVinyls Limited	UK	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(A)
INOVYN Enterprises Limited*	UK	Extraction and supply of brine and water	Ordinary	100%	100%	(A)
INOVYN ChlorVinyls Holding Limited	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Newco 2 Limited	UK	Holding company	Ordinary	100%	100%	(A)
INEOS Chlor Atlantik GmbH*	Germany	Non-trading	Ordinary	100%	100%	(E)
INOVYN Americas Inc	USA	Purchase and resale of chemicals	Ordinary	100%	100%	(F)
INOVYN Sales International Limited <sup>(2)</sup>	UK	Non-trading	Ordinary	100%	100%	(A)
INEOS Chlor Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(A)
INEOS Vinyls UK Limited <sup>(1)</sup>	UK	Non-trading	Ordinary	100%	100%	(A)
INEOS Vinyls GmbH & Co KG	Germany	Holding company	Ordinary	100%	100%	(E)
INOVYN Schkopau GmbH	Germany	Non trading	Ordinary	100%	100%	(E)
INOVYN Sales GmbH	Germany	Non trading	Ordinary	100%	100%	(E)
EVC Pension Trustees Limited	UK	Pension trustee	Ordinary	100%	100%	(A)
INOVYN Energy Limited	UK	Holding company	Ordinary	100%	100%	(A)
Kerling Newco 1 Limited	UK	Holding company	Ordinary	100%	100%	(A)
Kerling Newco 2 Limited*	UK	Holding company	Ordinary	100%	100%	(A)
INOVYN Deutschland GmbH	Germany	Manufacturer of chlor-alkali and PVC products	Ordinary	100%	100%	(E)

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

### 9 Investments (continued)

Company	Country of incorporation	Principal activity	Class of shares held	Ownership 2022	Ownership 2021	Registered office reference
INOVYN Espana S.L.*	Spain	Manufacture of PVC	Ordinary	100%	100%	(G)
INOVYN Österreich GmbH	Austria	Sales office	Ordinary	100%	100%	(H)
INOVYN Belgium SA	Belgium	Manufacture of chlor-alkali and EDC products	Ordinary	100%	100%	(I)
INOVYN Olefines France SAS	France	Operation of ethylene cracker	Ordinary	100%	100%	(J)
INOVYN Portugal Lda	Portugal	Sales office	Ordinary	100%	100%	(K)
INOVYN Trade Services SA	Belgium	Purchase and resale of chemicals	Ordinary	100%	100%	(I)
INOVYN Manufacturing Belgium SA	Belgium	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(I)
INOVYN France SAS	France	Manufacture of chlor-alkali and PVC products	Ordinary	100%	100%	(J)
INOVYN Quimica Espana S.L.	Spain	Waste treatment	Ordinary	100%	100%	(G)
INEOS Enterprises Group Limited*	UK	Manufacture of salt and sulphur chemicals	Ordinary	100%	100%	(A)
INOVYN Italia S.p.A.	Italy	Commercial Services	Ordinary	100%	100%	(L)
INOVYN Produzione Italia S.p.A.	Italy	Manufacture of chemicals	Ordinary	100%	100%	(M)
Vinyloop Ferrara S.p.A. <sup>(1)</sup>	Italy	PVC Recycling	Ordinary	100%	100%	(L)
Keuper Gas Storage Limited	UK	Gas storage	Ordinary Limited by	100%	100%	(A)
TTE Training Limited	UK	Training company	Guarantee Limited by	100%	100%	(N)
TTE Apprenticeship Training Agency Limited	UK	Apprenticeship company	Guarantee	100%	100%	(N)

\* Shares held directly by the Company

<sup>(1)</sup> In the process of being liquidated.

<sup>(2)</sup> INEOS Sales International was dissolved in January 2023 following liquidation.

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

Reference	Registered office address
(A)	Banks Lane Office, Banks Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom
(B)	Rafnes Industriområde, 3966 Stathelle, Norway
(C)	444-83 Stenungsund, Sweden
(D)	Luna Arena, Herikerbergweg 238, 1101 CM, Amsterdam, Netherlands
(E)	Ludwigstrasse 12, 47495 Rheinberg, Germany
(F)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(G)	Calle Marie Curie 1-3-5, 08760 Martorell, Barcelona, Spain
(H)	Hohenstaufengasse 9, DG/A-100 Wien, Austria
(I)	Rue Solvay 39, 5190 Jemeppe-sur-Sambre, Belgium
(J)	2 Avenue de la République, 39500 Tavaux, France
(K)	Rua do Centro Cultural nº 5 – R/C, sala 8, 1700-106 Lisboa, Portugal
(L)	Via Marconi 73, 44122 Ferrara (FE), Italy
(M)	Via Piave 6 CAP 57016, Rosignano Marittimo, Italy
(N)	New Horizons House, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LT

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

**10 Debtors**

	2022 €m	2021 €m
<b>Debtors: amounts due in less than one year</b>		
Amounts owed by group undertakings	1,038.7	1,461.4
	<u>          </u>	<u>          </u>

Amounts owed by group undertakings are interest bearing at a cost equal to the cost of capital of the INEOS Inovyn group.

	2022 €m	2021 €m
<b>Debtors: amounts due after more than one year</b>		
Amounts owed by group undertakings	892.8	461.0
	<u>          </u>	<u>          </u>

Amounts owed by group undertakings are unsecured, attract interest at a cost equal to the cost of capital of the INEOS Inovyn group and are repayable on demand. 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.

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

	2022 €m	2021 €m
Dividend payable	18.8	26.3
Amounts owed to related party (note 13)	14.7	9.7
Amounts owed to group undertakings – group relief	22.3	28.8
Accruals and deferred income	0.8	0.6
	<u>          </u>	<u>          </u>
	56.6	65.4
	<u>          </u>	<u>          </u>

Amounts owed to related party represent interest on the loan from INEOS Quattro Financing Limited.

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

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

	2022 €m	2021 €m
Amounts owed to related parties (note 13)	1,106.0	1,104.1
	<u>          </u>	<u>          </u>

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

### 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.

#### Terms and debt repayment schedule

	Nominal interest rate	Face value 2022 €m	Carrying amount 2022 €m	Face value 2021 €m	Carrying amount 2021 €m
Amounts owed to related parties	2.7% - 4.5%	1,106.0	1,106.0	1,104.1	1,104.1

On 29 January 2021, the aggregate principal amount of Senior Secured Term Loan B outstanding of €1,064.3 million plus accrued interest was repaid in full using the proceeds from a loan of €1,064.3 million from the INEOS Inovyn Group's 94.9% shareholder, INEOS Quattro Financing Limited. The loan from INEOS Quattro Financing Limited is unsecured and has no fixed repayment date. It bears interest at 2.70% per annum. (note 11)

A further loan from INEOS Enterprises Holdings Limited of €41.7 million (2021: €39.8 million) is unsecured and bears interest at 4.5% per annum. The loan has no fixed repayment date.

### 14 Called up share capital

#### At 31 December 2021 and 31 December 2022

	Number	€
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100,050,001	141,259,327
Shares classified in shareholders' funds	100,050,001	141,259,327

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

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

	2022 €m	2021 €m
<b>Dividends paid</b>		
Ordinary shares of £1 each	368.8	515.4

An interim dividend of €368.8 million (2021: €515.4 million) was declared during the year. Of the €368.8 million declared in 2022, €350.0 million was settled in June 2022, whilst €18.8 million remains outstanding. The dividend equates to €3.69 per ordinary share (2021: €5.15 per ordinary share).

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

### **15 Controlling parties**

The immediate parent company is INEOS Inovyn 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.

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

The Company prepares its financial statements in accordance with Financial Reporting Standard 102 Reduced Disclosure Framework ("FRS 102"), 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, 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.

#### *Carrying value of investments*

Investments in subsidiaries are carried at cost less impairment. At the end of each reporting period, the Company assesses whether there is any indication of impairment. Determining the carrying value of the investment requires a series of estimates to be made by management.