

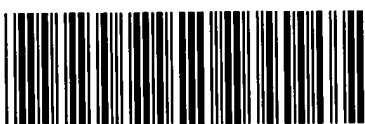
INOVYN ChlorVinyls Holdings Limited

Annual report and financial statements

Registered number 07085121

31 December 2018

FRIDAY



A87L3MIR

A15

14/06/2019

#193

COMPANIES HOUSE

Contents	Page
Strategic report for the year ended 31 December 2018	2
Directors' report for the year ended 31 December 2018	3
Independent auditors' report to the members of INOVYN ChlorVinyls Holdings Limited	5
Income statement for the year ended 31 December 2018	8
Balance sheet as at 31 December 2018	9
Statement of changes in equity for the year ended 31 December 2018	10
Notes to the financial statements for the year ended 31 December 2018	11

Strategic report for the year ended 31 December 2018

The directors present their strategic report for INOVYN ChlorVinyls Holdings Limited (the “Company”) for the year ended 31 December 2018.

Principal activities

The Company’s principal activity is to act as a holding company.

Review of the business

The loss before taxation was €2.3 million (2017: loss of €7.8 million).

During the year the Company received interest and similar income arising on loans to other group entities of €nil (2017: €0.1 million) and incurred interest payable and similar expenses arising on loans from other group entities of €6.0 million (2017: €7.9 million).

The net assets of the Company at 31 December 2018 were €5.9 million (2017: €8.8 million).

Financial risk management

The Company’s operations expose it to financial risks including credit risk and liquidity risk. Since the Company’s operations involve related parties, these risks are not considered significant. The Company is a subsidiary of INOVYN Limited and all risks are managed at a group level. Further details of policies in relation to financial risks can be obtained from the Company Secretary at: Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

Future developments

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

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.

On behalf of the Board



M J Maher
Director
10 June 2019

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements of INOVYN ChlorVinyls Holdings Limited for the year ended 31 December 2018.

Financial risk management and future developments

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

Directors

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

CE Tane
MJ Maher
JD Taylorson

Dividends

The directors do not recommend the payment of a dividend (2017: €nil).

Political and charitable donations

The Company made no political contributions during the year (2017: €nil). Charitable donations amounted to €nil (2017: €nil).

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.

Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

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

Directors' report for the year ended 31 December 2018 (continued)

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.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. As a consequence of the Company having passed a written shareholder resolution, there is no requirement to reappoint PricewaterhouseCoopers LLP as auditors of the Company on an annual basis.

On behalf of the Board



M J Maher

Director

INOVYN ChlorVinyls Holdings Limited
Runcorn Site HQ
South Parade
P.O. Box 9, Runcorn
Cheshire, WA7 4JE
10 June 2019

Independent auditors' report to the members of INOVYN ChlorVinyls Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, INOVYN ChlorVinyls Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of INOVYN ChlorVinyls Holdings Limited (continued)

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities. With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of INOVYN ChlorVinyls Holdings Limited (continued)

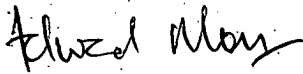
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
10 June 2019

Income statement
for the year ended 31 December 2018

	<i>Note</i>	2018 €m	2017 €m
Operating result	2	-	-
Income from shares in group undertakings	3	3.7	-
Interest receivable and similar income	4	-	0.1
Interest payable and similar expenses	5	(6.0)	(7.9)
		<hr/>	<hr/>
Loss before taxation		(2.3)	(7.8)
Tax on loss	6	(0.6)	1.0
		<hr/>	<hr/>
Loss for the financial year		(2.9)	(6.8)
		<hr/>	<hr/>

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 2018

	Note	2018 €m	2018 €m	2017 €m	2017 €m
Fixed assets					
Investments	7		118.6		118.6
			<hr/>		<hr/>
			118.6		118.6
Current assets					
Debtors	8	49.9		46.8	
		<hr/>		<hr/>	
Net current assets			49.9		46.8
			<hr/>		<hr/>
Total assets less current liabilities			168.5		165.4
Creditors: amounts falling due after more than one year	9		(162.6)		(156.6)
			<hr/>		<hr/>
Net assets			5.9		8.8
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	11		-		-
Retained earnings			5.9		8.8
			<hr/>		<hr/>
Total shareholders' funds			5.9		8.8
			<hr/>		<hr/>

The notes on pages 11 to 17 form part of the financial statements.

These financial statements on pages 8 to 17 were approved by the Board of Directors on 10 June 2019 and were signed on its behalf by:



M J Maher
Director

INOVYN ChlorVinyls Holdings Limited

Company registered number: 07085121

Statement of changes in equity
for the year ended 31 December 2018

	Called up share capital €m	Retained earnings €m	Total shareholders' funds €m
Balance at 1 January 2017	-	15.6	15.6
Loss for the financial year	-	(6.8)	(6.8)
Balance at 31 December 2017	-	8.8	8.8

	Called up share capital €m	Retained earnings €m	Total shareholders' funds €m
Balance at 1 January 2018	-	8.8	8.8
Loss for the financial year	-	(2.9)	(2.9)
Balance at 31 December 2018	-	5.9	5.9

Notes to the financial statements for the year ended 31 December 2018

1 Accounting policies

INOVYN ChlorVinyls Holdings Limited (the “Company”) is a private company incorporated in the United Kingdom, registered and domiciled in England and Wales and limited by shares.

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

The Company’s ultimate parent undertaking, INOVYN Limited, includes the Company in its consolidated financial statements, which are publically 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 INOVYN Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU, are available to the public and may be obtained from the Company Secretary at Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has applied the exemptions available under FRS 101 in respect of the following disclosures:

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

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

Impact of new standards and interpretations

IFRS 9 is a new accounting standard that is effective for the year ended 31 December 2018 but has had no impact on the Company. There are no other amendments to accounting standards that are effective for the year ended 31 December 2018 which have had a material impact on the Company.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Foreign currency

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

Notes to the financial statements (continued)

for the year ended 31 December 2018

1 Accounting policies (continued)

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade and other creditors

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

Investments in equity securities

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

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, less any impairment losses.

1.4 Impairment

Financial assets (including trade and other debtors)

The Company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. Refer to Note 1.3 above.

1.5 Expenses

Interest receivable and Interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method. 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 profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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.

Notes to the financial statements (continued)

for the year ended 31 December 2018

1 Accounting policies (continued)

1.6 Taxation (continued)

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.

2 Operating result

Auditors' remuneration

The audit fee for the Company for the year of €1,498 (2017: €1,318) was borne by a fellow group undertaking.

Employees and directors' remuneration

The Company had no employees during the year other than the Directors (2017: nil). No directors received any fees or remuneration in respect of their services as a director of the Company during the financial year (2017: €nil).

3 Income from shares in group undertakings

During the year, the Company received a dividend of €3.7 million (2017: €nil) from INEOS Vinyls UK Limited.

4 Interest receivable and similar income

	2018 €m	2017 €m
Interest receivable from group undertakings	-	0.1

5 Interest payable and similar expenses

	2018 €m	2017 €m
Interest payable to group undertakings	6.0	7.9

Notes to the financial statements (continued)
for the year ended 31 December 2018

6 Tax on loss

Recognised in the income statement

	2018 €m	2018 €m	2017 €m	2017 €m
<i>UK corporation tax</i>				
Current tax on loss for the financial year	(1.1)		(1.5)	
Adjustments in respect of prior periods	1.7		0.5	
	<hr/>		<hr/>	
Total current tax		0.6		(1.0)
		<hr/>		<hr/>
Tax on loss		0.6		(1.0)
		<hr/>		<hr/>

Reconciliation of standard tax rate

	2018 €m	2017 €m
Loss before taxation	(2.3)	(7.8)
Loss before taxation multiplied by the standard rate of tax in the UK of 19.0% (2017:19.25%)	(0.4)	(1.5)
Non-chargeable income	(0.7)	-
Adjustments in respect of prior periods	1.7	0.5
	<hr/>	<hr/>
Total tax charge/(credit)	0.6	(1.0)
	<hr/>	<hr/>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

7 Investments

	Shares in group undertakings €m
<i>Cost</i>	
At 1 January 2018 and 31 December 2018	138.5
<i>Provisions</i>	
At 1 January 2018 and 31 December 2018	(19.9)
	<hr/>
<i>Net book value</i>	
At 31 December 2017 and 31 December 2018	118.6
	<hr/>

Notes to the financial statements (continued)
for the year ended 31 December 2018

7 Investments (continued)

The Company has the following investments in subsidiaries:

Company	Country of Incorporation	Registered office address	Class of shares held	Ownership 2018	Ownership 2017
INOVYN Newco 2 Limited*	England	(A)	Ordinary	100%	100%
INEOS Vinyls UK Limited*	England	(A)	Ordinary	100%	100%
INOVYN ChlorVinyls Limited	England	(A)	Ordinary	100%	100%
INOVYN Americas Inc	USA	(B)	Ordinary	100%	100%
INOVYN Energy Limited	England	(A)	Ordinary	100%	100%
INOVYN Sales International Limited	England	(A)	Ordinary	100%	100%
INEOS Chlor Quimica SA ⁽¹⁾	Spain	(C)	Ordinary	-	100%
INEOS Chlor Atlantik GmbH	Germany	(D)	Ordinary	100%	100%
INEOS Chlor Trustees Limited	England	(A)	Ordinary	100%	100%
EVC Pension Trustees Limited	England	(A)	Ordinary	100%	100%
INOVYN Services Limited	England	(A)	Ordinary	100%	100%
INEOS Vinyls GmbH & Co KG	Germany	(D)	Limited partner	100% economic interest	100% economic interest

* Shares held directly by the Company.

⁽¹⁾ INEOS Chlor Quimica SA was liquidated during 2018.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

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

Reference	Registered office address
(A)	Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom
(B)	2036 Foulk Rd, Suite 204, Wilmington, Delaware 19801, USA
(C)	Gran Via 680 7o 4a, E-08010 Barcelona, Spain
(D)	Ludwigstrasse 12, 47495 Rheinberg, Germany

8 Debtors

	2018 €m	2017 €m
Amounts owed by group undertakings	35.3	31.6
Amounts owed by group undertakings - group relief	14.6	15.2
	49.9	46.8

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

Notes to the financial statements (continued)
for the year ended 31 December 2018

9 Creditors: amounts falling due after more than one year

	2018 €m	2017 €m
Amounts owed to group undertakings	162.6	156.6

Amounts owed to group undertakings are unsecured and attract interest at commercial rates.

10 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.

	2018 €m	2017 €m
Creditors falling due after more than one year		
Amounts owed to group undertakings	162.6	156.6

The loan outstanding is unsecured and is not repayable by instalments.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2018 €m	Carrying amount 2018 €m	Face value 2017 €m	Carrying amount 2017 €m
Long term loan from group undertaking	€	3.25%	None	162.6	162.6	156.6	156.6

11 Called up share capital

At 31 December 2017 and 31 December 2018

	Number	€
<i>Allotted and fully paid</i>		
Ordinary shares of £1 each	100	112
Shares classified in shareholders' funds	100	112

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.

Notes to the financial statements (continued)

for the year ended 31 December 2018

12 Controlling parties

The immediate parent undertaking is INOVYN Group Treasury 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 largest and smallest group that consolidated the Company's financial statements as at 31 December 2018 was INOVYN Limited. The consolidated financial statements of INOVYN Limited are available to the public and may be obtained from the Company Secretary at: Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

13 Accounting estimates and judgements

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

The following area is considered to involve a significant degree of judgement or estimation:

Taxation

Management is required to estimate the tax payable in the jurisdiction in which the Company operates. The calculation of the Company's total tax charge or credit involves a significant degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

Details of amounts recognised with regard to taxation are disclosed in note 6.