Registered number: 01005238

SOLVAY INTEROX LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SOLVAY INTEROX LIMITED

CONTENTS

SOLVAY INTEROX LIMITED

COMPANY INFORMATION

Directors	M Giannuzzi R P Tarver M S Dain
Company secretary	S Rad
Registered number	01005238
Registered office	Solvay House Baronet Road Warrington Cheshire WA4 6HA
Independent auditor	Deloitte LLP Statutory Auditors Hanover Building Corporation Street Manchester M4 4AH
Bankers	BNP Paribas 10 Harewood Avenue London NW1 6AA

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report of Solvay Interox Limited (the "Company") for the year ended 31 December 2021.

Review of the business

The Company has developed its Hydrogen Peroxide business into new markets and applications, and is likely to expand this business further. Hydrogen Peroxide, along with utilities and other services, are supplied to a Company based on the Warrington site which purchased part of the Company's operations in 2008. The Solvay Group is a leading global supplier of Hydrogen Peroxide.

The Company's key financial and other performance indicators during the year were as follows:

	2021	2020
	£m	£m
Revenue	**27.2**	25.8
Operating profit	**0.7**	5.4
Gross (loss)/profit	**(5.0)**	9.2
Other operating income	**16.6**	8.1
Capital expenditure	**0.4**	0.3
Cash pool balance	**49.2**	43.1

In the current year, revenues are in line with historic levels, markets remain stable for core products and some reduction in demand for the veterinary grade product. Increase in revenue from core products was due to price increases in the later part of the year to reflect the increase in cost of production following the energy price hikes.

At 31 December 2021, management considered the recoverability of all intercompany debts and judged that the balance held with Solvay Energy Services (£1.78m) was not recoverable and was written off to the Profit and Loss of 2021. The costs have been included within cost of sales to reflect their relationship with energy.

Operating margins have decreased through the impact of the increase in energy prices. The gross loss has in part been supported by an increase in the recharging of the energy costs to the co-occupier of the site (included in other operating income), although the recovery of higher costs was not immediate. This led to significant reduction in profit. Increased energy revenue is recognised in other operating income.
Capital expenditure remains in line with requirements for maintaining operating equipment.

The cash pool balance has increased during the year through cash generation from trading.

During the year and up to the date of approval of this report, no dividend (2020: £nil) were proposed or paid by the Company.

Principal risks and uncertainties

The Company is the only producer of Hydrogen Peroxide in the UK, but faces competition from imported products. The Company maintains good relationships with its customers and offers a responsive service.

The Company is a highly energy dependent business using gas and electricity, but is also using Hydrogen (linked to the price of gas) as a raw material. The Company invests considerable time in understanding these markets and making appropriate decisions with regard to their purchase. The buying power of the Solvay group reduces the adverse impact of movements in commodity prices.

On 24 February 2022, the Government of Russia launched a large-scale military operation in Ukraine. As a result, the international community imposed sanctions on Russia, which in turn prompted the Russian government to impose sanctions against some countries, including those in the European Union creating turmoil in the energy markets, raw materials sourcing, financing and banking systems. Our company is implementing a strict compliance policy, which also covers export control and application of all the sanctions defined against Russia.

Principal risks and uncertainties (continued)

The anticipated impact of the conflict is a surge in inflationary pressure, which is already intense and is expected to be mitigated in 2022 through additional pricing and sourcing initiatives for the energy market. The Company will continue to closely monitor the situation and the evolution of the conflict.

The Company both sells finished products and purchases raw materials and services from the EU and therefore set up a Brexit task force to ensure preparedness for the transition expected at the end of 2020. The taskforce focused on putting supply chain measures in place to ensure that supplies were not disrupted at the Solvay Group level.

As of the date of the report date, Brexit has not had a significant impact on the performance of the Company.

The Company receives its funding from Solvay S.A (the ultimate parent company). These loans are at rates linked to the Group's borrowing costs. Foreign exchange risk is managed by the Group treasury function, through utilising group banking facilities and internal bank accounts.

The Company has a defined benefit pension scheme detailed in note 25 whose excess is dependent upon assumptions made in respect of discount rate and life expectancy. The Company recognises gains and losses through other comprehensive income in Statement of Comprehensive Income. A deficit funding plan is in place and is reviewed by the Company of Trustees during the triennial valuation process.

Future developments

Details of future developments can be found in the Directors' Report on page 7.

Section 172(1) statement

This section describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Our Stakeholders

The directors consider that the Company's key stakeholders are its customers, suppliers, workforce and shareholders. The Board seeks to understand the respective interest of such stakeholder groups so that these may be properly considered in the Board's decisions. We do this through various means including direct engagement by Board members, and by receiving reports and updates from members of senior management who engage with such groups. Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Having regard to the likely consequences of any decision in the long term

The Board is mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed. The most significant recent example of this is the decision to implement a small restructuring programme to align more closely with the Solvay group shared services operations.

Section 172(1) statement (continued)

Having regard to the interests of the Company's employees

The Board takes active steps to ensure that the suggestions, views and interests of the workforce are captured and considered in our decision making. The Group has a number of effective workforce engagement mechanisms in place (a) Employees are kept informed of performance and strategy through biannual town hall presentations from members of the senior management and (b) Employee engagement surveys are undertaken regularly by the Solvay Group, covering the majority of the workforce, and the results are analysed and reported to the Board who look to promote actions in response to the survey results.

Having regard to the need to foster the Company's business relationships with suppliers, customers and others

Suppliers
The Board recognises the benefits of maintaining strong relationships with key raw material suppliers in the composites industry. Members of the senior management hold regular discussions with representatives of those key suppliers in which pertinent issues for both parties are discussed.

Customers
The interests of customers are always at the forefront of the Board's decision-making processes. Members of the senior management team maintain regular contact with the Company's larger customers and always seeks to represent their interests in Board level discussions. The Board receives regular updates from management in respect of the views of other customers.

Having regard to the impact of the Company's operations on the community and the environment

The Board supports the Company's goals and initiatives with regard to reducing adverse impacts on the environment and supporting the communities that it touches. Compliance with all legislation intended to protect people, property and the environment is a fundamental priority of the Solvay group and the Board fully supports this. Management lead by example and allocate the required resources to achieve excellence in HSE performance.

The Company always seeks to be a good neighbour to the communities in which it operates, and engages positively with community representatives when called upon to do so.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct

The Board recognises the importance of operating a robust corporate governance framework. Part of the Board's remit is to monitor the Group's compliance to high standards of business conduct. The Board encourages all employees to display a professional attitude to all business dealings, both with colleagues and with external parties and operates the Solvay Code of Conduct, which all employees are expected to comply with.

Having regard to the need to act fairly as between members of the Company

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Company's strategy through the long term, taking into consideration the impact on stakeholders and the need to ensure the long term sustainability of the Company. The Directors, in doing so, act as fairly as possible between the Company's members. Decisions on capital expenditure, restructuring and the defined benefit pension plan taken during the course of the year, were all carefully considered against this backdrop.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

This report was approved by the Board and signed on its behalf by:

RPTarver

R P Tarver
Director

Date: 30th January 2023

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and the audited financial statements of Solvay Interox Limited (the "Company") for the year ended 31 December 2021.

Principal activities

The Company produces Hydrogen Peroxide to be used in a variety of different markets.

Results and dividends

The profit for the financial year amounted to £180,000 (2020: £7,112,000).

During the year and up to the date of approval of this report, no dividends (2020: £nil) were proposed or paid.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A Murphy (resigned 30 August 2022)
M Giannuzzi (appointed 11 January 2022)
R P Tarver
F Cerchiari De Oliveira (resigned 31 December 2021)
M S Dain (appointed 25 August 2022)

Qualifying third party indemnity provisions

None of the directors held any interests in the share capital of the Company during the year (2020: None). The Company has made qualifying third-party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. As at 31 December 2021, the Company had net current assets of £39,600,000 (2020: £41,953,000) and current cash pooling balances of £49,246,000. To assess its future cash requirements, the Company has prepared a cash flow forecast extending to December 2023 which takes into consideration the impact of reasonably possible downside scenarios. Day to day trading is funded by treasury facilities provided to the Company by the Group's financing entities which are subsidiaries of Solvay SA. As the Company is reliant on access to these group funding and treasury arrangements, a letter of support from Solvay SA has been obtained. Solvay SA has indicated that for at least 13 months from the date of signing of these financial statements, it will continue to make available such funds as are needed by the Company in order to enable it to meet its financial obligations as they fall due. The directors have assessed both the willingness and ability of Solvay SA to provide the Company with such support as may be needed over the next 12 months and, on this basis, consider that the Company will be a going concern for the foreseeable future.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

Operating conditions in 2021 remain difficult following the COVID 19 outbreak lockdowns and changing regulations, the Company has continued to operate with no interruptions and anticipates that revenues and operating profitability will remain in line with historic norms.

The Company will look forward to develop sales in existing markets and reduce operating costs, while ensuring that safety and environmental considerations remain a top priority.

The Company is also seeking other business opportunities to use its Warrington site where there is available land and surplus utility capacity, which will help to ensure the continued sustainability of the site.

On March 15, 2022, the Group announced its plans to separate into two independent publicly traded companies:

- EssentialCo would comprise leading mono-technology businesses including Soda Ash, Peroxides, Silica and Coatis, which are reported as the Company's Chemicals segment, as well as the Special Chem business. It is expected that Solvay Interox would be a part of this group.
- SpecialtyCo would comprise the Company's currently reported Materials segment, including its high-growth, high-margin Specialty Polymers, its high-performance Composites business, as well as the majority of its Solutions segment, including Novecare, Technology Solutions, Aroma Performance, and Oil & Gas.

The transaction is subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors, consent of certain financing providers and shareholder approval at an extraordinary general meeting, and is expected to be completed in the second half of 2023. The Board of Directors of Solvac, Solvay's long-standing reference shareholder, has confirmed its support of Solvay's transaction. This planned change will have no effect on the future trading of the Company.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management policies and objectives

Objectives and policies

Details of objectives and policies are discussed in the Strategic Report on pages 3 and 4 and form part of this report by cross reference.

Price risk, credit risk, cashflow risk, interest rate risk and liquidity risk

Price risk
As the Company's cost of production is largely influenced by the cost of energy, the Company closely manages its relationship with its customers to enable significant price increases in production to be passed onto its customers through increased pricing.

Credit risk and cash flow risk
The Company's principal financial assets are trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The Company receives its funding from Solvay S.A. These loans are at rates linked to the Group's borrowing costs. Foreign exchange risk is managed by the Group treasury function, through utilising group banking facilities, internal currency hedges and internal bank accounts.

Interest rate risk and liquidity risk
The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only intercompany balances at variable interest rates and cash balances. Interest bearing liabilities include only intercompany balances at variable rates of interest. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses intercompany funding.

Environmental matters

Environment
Solvay Interox Limited recognises the importance of its environmental responsibilities, monitors and reports its impact on the environment in accordance with its Environmental Permit and strives for continual improvement in the management of its impact on the environment through the effective use of its ISO14001 certified Environmental Management System. The Company operates in accordance with Solvay Group policies for Sustainability which are described in the Group's annual report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include improving energy use, minimising consumption of water and reduction in quantity and impact of waste generated.

Energy
The production and use of energy is managed with due regard for the commitments of the Kyoto Protocol and the European "Emissions Trading" directive concerning CO2 emissions quotas, the system of which is currently under revision. Solvay is monitoring the effect of the Kyoto protocol and the cost of CO2 emissions.

The Kyoto protocol is endorsed by Solvay and is integrated in its strategy as it at least indirectly affects every Company including upstream operators (through energy cost and raw materials) and downstream businesses (with an impact on transport, contractors and customers).

Research and development activities

The Group's strategy for growth continues to include a significant business-focused commitment to development. This is directed towards medium term opportunities and includes the development of new product applications. The Company incurred no expenditure on research and development during the year (2020: £Nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Engagement with employees

The Company has maintained its policy of keeping employees informed of matters that concern them by means of in-house publications, video recordings and briefings. Local site location councils and a Company council provide opportunities for consultation on both current performance and future plans.

Disabled employees

It is the Company's policy and practice to give full and fair consideration to applications for employment by disabled persons, having regard to their particular aptitudes and abilities, and to continue, whenever possible, the employment of, and arranges appropriate training for, employees of the Company who become disabled during their employment. Where medical advice indicates that continued employment is not practicable or desirable, an ill-health retirement scheme is available.

Energy and carbon reporting

No disclosure relating to energy and carbon reporting has been made as the Company is medium-sized and therefore outside the scope of the reporting requirements.

Disclosure of information to auditor

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditor

During the year Ernst Young LLP were appointed auditor replacing Deloitte LLP who did not seek reappointment. Ernst Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Post balance sheet events

On 24 February 2022, the Government of Russia launched a large-scale military operation in Ukraine. As a result, the international community imposed sanctions on Russia, which in turn prompted the Russian government to impose sanctions against some countries, including those in the European Union creating turmoil in the energy markets, raw materials sourcing, financing and banking systems. Our company is implementing a strict compliance policy, which also covers export control and application of all the sanctions defined against Russia.

The anticipated impact of the conflict is a surge in inflationary pressure, which is already intense and is expected to be mitigated in 2022 through additional pricing and sourcing initiatives. The Company will continue to closely monitor the situation and the evolution of the conflict.

On March 15, 2022, the Group announced its plans to separate into two independent publicly traded companies:

- EssentialCo would comprise leading mono-technology businesses including Soda Ash, Peroxides, Silica and Coatis, which are reported as the Company's Chemicals segment, as well as the Special Chem business. It is expected that Solvay Interox would be a part of this group.
- SpecialtyCo would comprise the Company's currently reported Materials segment, including its high-growth, high-margin Specialty Polymers, its high-performance Composites business, as well as the majority of its Solutions segment, including Novecare, Technology Solutions, Aroma Performance, and Oil & Gas.

The transaction is subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors, consent of certain financing providers and shareholder approval at an extraordinary general meeting, and is expected to be completed in the second half of 2023. The Board of Directors of Solvac, Solvay's long-standing reference shareholder, has confirmed its support of Solvay's transaction. This is considered to be a non-adjusting event.

This report was approved by the Board and signed on its behalf by:

RPTarver

R P Tarver
Director

Date: 30th January 2023

Solvay House
Baronet Road
Warrington
Cheshire
WA4 6HA

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 these 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 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 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 also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Solvay Interox Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 28.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED (CONTINUED)

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, 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. 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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory frameworks 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, pensions legislation, 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 anti-bribery and data protection regulations.

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

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Revenue recognition policy on sales where there is a risk that the manual journal entries to revenue are incorrectly accounted for non-recurring and non-standard revenue transactions. In response to this, we evaluated the design and implementation of controls and performed manual journal entry testing on any non-recurring and non-standard revenue transactions to underlying supporting documentation and confirmed if the relating revenue transactions were recorded in the correct period.

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLVAY INTEROX LIMITED (CONTINUED)

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.

Simon Hearne

Simon Hearne FCA (Senior Statutory Auditor)
For and on behalf of **Deloitte LLP**, Statutory Auditor
Manchester
United Kingdom

Date: 30th January 2023

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	**27,157**	25,788
Cost of sales		**(32,145)**	(16,570)
Gross (loss)/profit		**(4,988)**	9,218
Administrative expenses		**(10,867)**	(11,933)
Other operating income	5	**16,552**	8,091
Operating profit	6	**697**	5,376
Interest receivable and similar income	10	**2**	76
Interest payable and similar expenses	11	**(585)**	(703)
Profit before taxation		**114**	4,749
Tax on profit	12	**66**	2,363
Profit for the financial year		**180**	7,112

The notes on pages 20 to 47 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	2020 £000
Profit for the financial year	**180**	7,112
Other comprehensive income/(expense) for the financial year:		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain/(loss) on defined benefit pension schemes before tax	**21,304**	(7,373)
Income tax effect	**-**	(7,887)
Total comprehensive income/(expense) for the financial year	**21,484**	(8,148)

The notes on pages 20 to 47 form an integral part of these financial statements.

SOLVAY INTEROX LIMITED
REGISTERED NUMBER: 01005238

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £000		Re-stated - see note 28 2020 £000
Fixed assets					
Intangible assets	13		**5**		5
Tangible assets	14		**5,438**		5,882
			5,443		5,887
Current assets					
Stocks	15	**1,818**		1,682	
Debtors	16	**54,498**		48,370	
		56,316		50,052	
Creditors: Amounts falling due within one year	17	**(16,716)**		(8,099)	
Net current assets			**39,600**		41,953
Total assets less current liabilities			**45,043**		47,840
Creditors: Amounts falling due after more than one year	18		**(34)**		(47)
			45,009		47,793
Provisions for liabilities					
Other provisions	20		**(722)**		(861)
Pension liability	25		**(4,667)**		(28,796)
Net assets			**39,620**		18,136
Capital and reserves					
Called up share capital	21		**30,000**		30,000
Share premium account	22		**522**		522
Profit and loss account	22		**9,098**		(12,386)
Total shareholder's funds			**39,620**		18,136

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

RPTarver

R P Tarver

Director

Date: 30th January 2023

The notes on pages 20 to 47 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total shareholder's funds
	£000	£000	£000	£000
At 1 January 2020	**30,000**	**522**	**(4,238)**	**26,284**
Comprehensive income for the financial year				
Profit for the financial year	-	-	7,112	7,112
Actuarial loss on defined benefit pension schemes before tax	-	-	(7,373)	(7,373)
Income tax effect	-	-	(7,887)	(7,887)
Other comprehensive expense for the financial year	-	-	(15,260)	(15,260)
Total comprehensive expense for the financial year	-	-	(8,148)	(8,148)
At 31 December 2020 and 1 January 2021	**30,000**	**522**	**(12,386)**	**18,136**
Comprehensive income for the financial year				
Profit for the financial year	-	-	180	180
Actuarial gains on pension scheme	-	-	21,304	21,304
Other comprehensive income for the financial year	-	-	21,304	21,304
Total comprehensive income for the financial year	-	-	21,484	21,484
At 31 December 2021	**30,000**	**522**	**9,098**	**39,620**

The notes on pages 20 to 47 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Solvay Interox Limited (the "Company") is a private company limited by share capital, incorporated in United Kingdom under the Companies Act 2006 and domiciled in England. The address of its registered office is Solvay House, Baronet Road, Warrington, Cheshire, WA4 6HA.

The principal activities of the Company are set out in the Directors' Report.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework' issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with FRS 101 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention except pension balances that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, certain revenue requirements of IFRS 15, certain lease requirements of IFRS 16 and related party transactions.

This information is included in the consolidated financial statements of Solvay S.A. as at 31 December 2021 and these financial statements may be obtained from 310 Rue de Ransbeek, 1120 Brussels Belgium.

2. Significant accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. As at 31 December 2021, the Company had net current assets of £39,600,000 (2020: £41,953,000) and current cash pooling balances of £49,246,000. To assess its future cash requirements, the Company has prepared a cash flow forecast extending to December 2023 which takes into consideration the impact of reasonably possible downside scenarios. Day to day trading is funded by treasury facilities provided to the Company by the Group's financing entities which are subsidiaries of Solvay SA. As the Company is reliant on access to these group funding and treasury arrangements, a letter of support from Solvay SA has been obtained. Solvay SA has indicated that for at least 13 months from the date of signing of these financial statements, it will continue to make available such funds as are needed by the Company in order to enable it to meet its financial obligations as they fall due. The directors have assessed both the willingness and ability of Solvay SA to provide the Company with such support as may be needed over the next 12 months and, on this basis, consider that the Company will be a going concern for the foreseeable future.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was first determined. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Turnover

Recognition

The Company earns revenue from the manufacture and sale of hydrogen peroxide. The Company also earns other operating income from the recharge of services and utilities to Perstorp Limited who operate on the Warrington site.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers. Where discounts to the contract price are applied the Company presents these as a discount from contract revenue at the point in time the discount terms are met by the customer. Product returns or refunds to customers are only accepted where the product supplied does not meet agreed specifications, there are no sale or return type transactions or warranties on the products.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

2. Significant accounting policies (continued)

2.5 Turnover (continued)

The main performance obligations in contracts consist of delivery of product. For all contracts the stage of completion and delivery of performance obligations are measured at the Balance Sheet date by reviewing deliveries and incoterms to determine when obligations are completed.

Transaction price

The transaction price is the agreed sales price of the product less discounts and value added taxes.

2.6 Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

a) Obtain substantially all the economic benefits from the use of the underlying asset, and;
b) Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used).

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the non-lease components are identified and accounted for separately from the lease component. The consideration in the contract is allocated to the lease and non-lease components on a relative standalone price basis using the principles in IFRS 15.

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability;
b) Reducing the carrying amount to reflect the lease payments made; and
c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

2. Significant accounting policies (continued)

2.6 Leases (continued)

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

2. Significant accounting policies (continued)

2.6 Leases (continued)

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

2.7 Impairment of non-financial assets

At each Balance Sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The carrying values of the investments are also reviewed with reference to the future forecast results of the companies in which the investments are held.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Significant accounting policies (continued)

2.8 Finance income and costs policy

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.9 Pensions

Defined contribution pension plan

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Defined benefit pension plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit plan is open to current employees only. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date.

2. Significant accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Trademarks, patents & licences	-	15 years

2.12 Tangible assets

Tangible assets is stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Freehold land	- Not depreciated
Buildings	- 30 years straight line
Plant and equipment	- 15 years straight line
Assets in course of construction	- No depreciation charged whilst under construction

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. Significant accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.14 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

2. Significant accounting policies (continued)

2.15 Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the Balance Sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the Balance Sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:
- financial assets at amortised cost; or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:
- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:

2. Significant accounting policies (continued)

2.15 Financial instruments (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through the profit or loss (FVTPL)

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

Derecognition

Financial assets

The Company derecognises a financial asset when;

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in profit or loss.

2. Significant accounting policies (continued)

2.15 Financial instruments (continued)

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the Company derecognises transferred financial assets in their entirety, but has continuing involvement in them then it discloses for each type of continuing involvement at the reporting date:

a) The carrying amount of the assets and liabilities that are recognised in the Company's Balance Sheet and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised;

b) The fair value of the assets and liabilities that represent the Company's continuing involvement in the derecognised financial assets;

c) The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined; and

d) The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Financial liabilities

If the terms of a financial liabilities are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Significant accounting policies (continued)

2.15 Financial instruments (continued)

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the Company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

Impairment of financial assets

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are all sources of estimation uncertainty; there are no critical accounting judgements:

Retirement benefits
This is an area that requires certain assumptions to be made in order to value our obligations and determine the costs charged to the income statement. These figures are particularly sensitive to assumptions in discount rates, mortality, rates of inflation and expected return on assets. Details of the assumptions made are given in note 25.

Assumptions made are mutually consistent but may not be borne out in practice over the long term. The net deficit stated in note 25 is based upon a valuation of scheme assets that are not intended to be realised in the short term and which may change significantly. It is also based upon an actuarial valuation of scheme liabilities which is based upon cash flow projections over very long periods of time thus causing the valuation to be inherently uncertain.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Sale of goods	**27,157**	25,788

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	**24,536**	22,907
Rest of Europe	**2,182**	2,881
Rest of the World	**439**	-
	27,157	25,788

5. Other operating income

	2021 £000	2020 £000
Rent and utility recharges	**16,552**	8,091

This income represents rent and utility recharges charged to the co-occupier of the manufacturing site.

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible assets	**774**	792
Depreciation on right of use assets - other	**40**	65
Amortisation of intangible assets	**-**	6
Foreign exchange losses	**21**	30
Write-down of inventory to net realisable value	**22**	98

7. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	**17**	24

There were no non-audit fees in the current year (2020: £Nil).

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	**5,273**	4,940
Social security costs	**603**	607
Cost of defined contribution scheme (note 25)	**276**	207
Cost of defined benefit scheme (note 25)	**1,159**	1,160
	7,311	6,914

The average monthly number of employees, including the directors, during the year was as follows:

	2021 Number	2020 Number
Production	**51**	51
Administration and support	**18**	24
Sales	**1**	6
	70	81

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Directors' remuneration

	2021 £000	2020 £000
Aggregate directors' remuneration	**105**	104
Company contributions to defined contribution pension schemes	**7**	1
	112	105

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £93,000 (2020: £85,000).

The value of the Company's contributions paid to a money purchase schemes scheme in respect of the highest paid director amounted to £7,000 (2020: £20,000).

10. Interest receivable and similar income

	2021 £000	2020 £000
Interest received from group undertakings	**2**	76

11. Interest payable and similar expenses

	2021 £000	2020 £000
Guarantee charge by group company	**242**	242
Lease liability interest	**2**	3
Net interest on defined benefit pension schemes	**340**	452
Other finance costs	**1**	6
	585	703

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tax on profit

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	-	655
Adjustments in respect of previous periods	(66)	-
Total current tax	**(66)**	655
Deferred tax		
Arising from origination and reversal of temporary differences	-	(2,692)
Deferred tax expense relating to changes in tax rates	-	(326)
Total deferred tax	-	(3,018)
Total tax	**(66)**	(2,363)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Profit before taxation	**114**	4,749
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	**22**	902
Effects of:		
Expenses not deductible for tax purposes	**284**	36
Exempt amounts	**43**	-
Changes in provisions leading to an increase in the tax charge	-	326
Arising from origination and reversal of temporary differences	-	(3,627)
Amounts not recognised	**(349)**	-
Decrease in current tax from adjustments for prior periods	**(66)**	-
Total tax credit for the financial year	**(66)**	(2,363)

12. Tax on profit (continued)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

13. Intangible assets

	Trademarks, patents and licences £000
Cost	
At 1 January 2021	**85**
At 31 December 2021	**85**
Accumulated amortisation	
At 1 January 2021	**80**
At 31 December 2021	**80**
Net book value	
At 31 December 2021	**5**
At 31 December 2020	5

NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible assets

	Freehold land and buildings £000	Plant and equipment £000	Assets in course of construction £000	Right of use assets £000	Total £000
Cost					
At 1 January 2021	**6,070**	**58,672**	**167**	**268**	**65,177**
Additions	**-**	**-**	**359**	**11**	**370**
Transfers between classes	**-**	**495**	**(495)**	**-**	**-**
At 31 December 2021	**6,070**	**59,167**	**31**	**279**	**65,547**
Accumulated amortisation					
At 1 January 2021	**4,718**	**54,400**	**-**	**177**	**59,295**
Charge for the year	**135**	**639**	**-**	**40**	**814**
At 31 December 2021	**4,853**	**55,039**	**-**	**217**	**60,109**
Net book value					
At 31 December 2021	**1,217**	**4,128**	**31**	**62**	**5,438**
At 31 December 2020	1,352	4,272	167	91	5,882

All land and buildings are held on a freehold basis. Freehold land amounting to £177,035 (2020: £177,035) has not been depreciated.

15. Stocks

	2021 £000	2020 £000
Raw materials and consumables	**1,187**	1,223
Finished goods and goods for resale	**631**	459
	1,818	1,682

The cost of stock recognised as an expense in the year amounted to £4,906,605 (2020: £4,325,750). This is included within cost of sales.

The amount of write-down of stock recognised as an expense in the year is £21,703 (2020: £98,110). This is included within cost of sales.

The amount of write-down of stock reversed through expenses in the year is £Nil (2020: £Nil). This is included within cost of sales.

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16. Debtors

	2021 £000	Re-stated - see note 28 2020 £000
Amounts falling due within one year		
Trade debtors	**4,229**	2,170
Amounts owed by group undertakings	**49,246**	45,454
Other debtors	**713**	248
Prepayments and accrued income	**310**	498
	54,498	48,370

Of the amounts owed by group undertakings, £nil (2020: £2,294,000) are unsecured, repayable on demand and are interest free, and the remaining £49,246,000 (2020: £43,106,000) denote balance under a cash pooling arrangement which is unsecured, repayable on demand and are charged interest at the inter company monthly rates, which averaged 0.057% during the year. The balance of £Nil (2020: £54,000) is due from the ultimate parent company and is unsecured, repayable on demand and interest free.

The Company is part of the Solvay group factoring programme and all trade accounts receivable are factored without recourse to Solvay SA.

17. Creditors: Amounts falling due within one year

	2021 £000	Re-stated - see note 28 2020 £000
Trade creditors	**14,023**	5,353
Amounts owed to group undertakings	**565**	714
Other taxation and social security	**277**	145
Lease liabilities (note 19)	**28**	43
Other creditors	**1,823**	1,844
	16,716	8,099

Of the amount owed to group undertakings £Nil (2020: £Nil) is due to the ultimate parent company, the remaining £565,000 (2020: £714,000) is due to fellow subsidiary companies, all amounts are unsecured, repayable on demand and are interest free.

18. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Lease liabilities (note 19)	**34**	47

19. Leases

The current and long-term portion of lease liabilities is disclosed in notes 17 and 18 respectively.

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2021 £000	2020 £000
Less than one year	**29**	45
2 years	**18**	28
3 years	**14**	11
4 years	**3**	7
5 years	**-**	2
Total lease liabilities (undiscounted)	**64**	93

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	2021 £000	2020 £000
Payment		
Right of use assets	**40**	65
Interest	**2**	3
Total cash outflow	**42**	68

The Company leases fork lift trucks for use in the manufacturing business and cars for the Company car fleet.

20. Other provisions

	Remediation	Employee benefits	Restructuring	Total
	£000	£000	£000	£000
At 1 January 2021	260	259	342	861
Charged to profit or loss	27	51	672	750
Provisions used	(81)	-	(811)	(892)
Increase due to passage of time or unwinding of discount	3	-	-	3
At 31 December 2021	209	310	203	722

Due in less than one year	113	200	203	516
Due in more than one year	96	110	-	206

Remediation: The provision is for costs relating to soil remediation and removal of asbestos insulation from within the fabric of the brick work of the large coal fired boilers. The Company agreed a formal remediation programme with the Environmental Agency in accordance with the Environmental Protection Act 1990. A routine revenue forecast is made annually for the remaining costs.

Employee benefits: Provision relates to the estimated costs of a pension accruing outside of the pension scheme and jubilee benefits.

Restructuring: New provisions were created in 2020 related to a review of business activities in light of the COVID 19 pandemic. A number of positions were suppressed at the site. It is expected that all of the redundancies linked with these plans will be completed by the end of 2022.

21. Called up share capital

	2021 £000	2020 £000
Authorised, issued and fully paid		
30,000,000 (2020: 30,000,000) Ordinary shares of £1 (2020: £1) each	30,000	30,000

22. Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

23. Contingent liabilities

The Company has guaranteed duty charges to HM Customs & Excise, the maximum liability at the end of the year was £100,000.

24. Capital commitments

At 31 December 2021 the Company had capital commitments in relation to plant and equipment as follows:

	2021	2020
	£000	£000
Amount contracted for but not provided in the financial statements	**64**	-

25. Pension commitments

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £266,000 (2020: £206,229).

Defined benefit pension schemes

Solvay UK Defined Benefits Pension Scheme

The Company contributes to three final salary defined benefit retirement benefit schemes which comprise sections within the Solvay UK Defined Benefit Pension Scheme (the Interox section, the Duphar section and the Specialty Chemicals section). Contributions to the Specialty Chemicals and Duphar sections started in 2010 following the transfer of activities from Solvay Chemicals Limited.

Previously, in respect of the Specialty Chemicals section, the Company took the exemptions provided by IAS 19, where insufficient information is available to determine its share of the assets and liabilities of the scheme, to account for contributions to the schemes on a defined contribution basis. However, Solvay Specialty Chemicals Limited was sold to a third party on 1 November 2015, and just before the sale a Flexible Apportionment Arrangement (FAA) was completed to transfer all the liabilities and obligation of the Specialty Chemicals section to Solvay Interox Limited so the full assets and liabilities are now recognised in Solvay Interox Limited.

The plan is subject to the funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator, and Guidance Notes adopted by the Financial Reporting Council, set the framework for funding defined benefit occupational pension plans in the UK. The trustees of the plan are required to act in the best interest of the plan's beneficiaries. The appointment of trustees is determined by the plan's trust documentation. It is policy that one third of all trustees should be nominated by the members.

The Company have reviewed the implications of IFRIC 14 and have concluded that it is not necessary to make any adjustments to the FRS 101 figures in respect of an asset ceiling or Minimum Funding Requirements as at 31 December 2021.

Contributions payable to the pension scheme at the end of the year are £Nil (2020: £Nil).

The expected contributions to the plan for the next reporting period are £4,225,000 (2020: £4,440,000).

25. Pension commitments (continued)

The scheme was most recently valued on 31 March 2019. A full actuarial valuation was carried out as at 1 April 2019 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the plan is agreed between the Company and the trustees in line with those requirements. These in particular require the surplus / deficit to be calculated using prudent, as opposed to best estimate actuarial assumptions.

This actuarial valuation as at 31 March 2019 showed a deficit of £34,500,000. The Company has agreed with the trustees that it will eliminate the deficit over a period of 6 years and 7 months by the payment of annual contributions of £3,241,000 per annum, increasing by 3% per annum with the first increase applied on 31 March 2021, in respect of the deficit. In addition and in accordance with the actuarial valuation the Company has agreed with the trustees that it will pay 43.7% of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the plan and levies to the pension Protection Fund directly.

For the purposes of FRS 101 the actuarial valuation as at 31 March 2019, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2021. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

Risks

Investment risk
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. As the plan continues to mature, the Company intends to reduce the level of investment risk by investing in more assets that better match the liabilities.

Interest risk
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond and Liability Driven Investment (LDI) holdings.

Inflation rate risk
The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (in the case of fixed interest bonds) or loosely correlated with (in the case of equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy risk
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

25. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2021 £000	2020 £000
At the beginning of the year	**188,717**	175,144
Current service cost	**1,280**	1,111
Past service cost	**-**	48
Interest cost	**2,331**	3,456
Actuarial gains from changes in demographic assumptions	**(1,924)**	(4,564)
Actuarial (gains)/losses arising from changes in financial assumptions	**(16,056)**	18,075
Actuarial losses arising from experience adjustments	**564**	1,260
Contributions by scheme participants	**101**	114
Benefits paid	**(5,883)**	(5,927)
At the end of the year	**169,130**	188,717

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
At the beginning of the year	**159,921**	150,878
Interest income	**1,991**	3,004
Actuarial gains arising from experience adjustments	**3,889**	7,399
Employer contributions	**4,444**	4,454
Contributions by scheme participants	**101**	114
Benefits paid	**(5,883)**	(5,928)
At the end of the year	**164,463**	159,921

Composition of plan assets:

	2021 £000	2020 £000
Cash and cash equivalents	**1,765**	491
Diversified Growth Fund	**40,699**	37,866
Absolute Return Fund	**42,180**	38,867
Buy and Maintain Credit	**29,041**	30,173
Liability Driven Investments	**50,778**	52,524
Total plan assets	**164,463**	159,921

25. Pension commitments (continued)

None of the fair values of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All of the scheme assets have a quoted market price in an active market with the exception of the Trustee's bank account balance. There are no additional assets pledged, and no additional arrangements agreed between the Company and the trustees to secure members' benefits under the plan.

It is the policy of the Trustee and the Company to review the investment strategy at the time of each funding valuation. The Trustee's investment objectives and the processes undertaken to measure and manage the risks inherent in the plan investment strategy are documented in the plan's Statement of Investment Principles.

There are no asset-liability matching strategies currently being used by the plan.

The amounts recognised in the Balance Sheet are as follows:

	2021	2020
	£000	£000
Fair value of scheme assets	**164,463**	159,921
Present value of scheme liabilities	**(169,130)**	(188,717)
Net benefit pension scheme liability	**(4,667)**	(28,796)

The amounts recognised in profit or loss are as follows:

	2021	2020
	£000	£000
Current service cost	**1,280**	1,111
Net interest	**340**	452
Past service cost	**-**	48
Total	**1,620**	1,611
Actual return on scheme assets	**5,872**	10,403

It has been agreed that the Company will pay all administration expenses directly including death in service premiums and PPF levy, expenses have therefore been excluded from the pension disclosures. Expenses of £587,000 (2020: £710,000) have been paid by the Company and are included in administrative expenses. This does not include investment related expenses which have been allowed for as part of the actual return on net assets.

There have been no plan amendments, curtailments or settlements in the accounting period.

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the Company.

25. Pension commitments (continued)

Amounts taken to the Statement of Comprehensive Income:

	2021 £000	2020 £000
Actuarial gains arising from changes in demographic assumptions	**1,924**	4,564
Actuarial gains/(losses) arising from changes in financial assumptions	**16,056**	(18,076)
Actuarial losses arising from experience adjustments	**(565)**	(1,260)
Return on plan assets, excluding amounts included in interest income/(expense)	**3,889**	7,399
Amounts recognised in the Statement of Comprehensive Income	**21,304**	(7,373)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021 %	2020 %
Discount rate	**2.00**	1.25
Future salary increases	**3.00**	2.75
Future pension increases	**-**	2.70
Inflation (RPI)	**3.00**	2.75
Inflation (CPI)	**2.50**	2.00
Post retirement mortality assumptions		
- for a male aged 65 now	**21.1 years**	21.3 years
- at 65 for a male aged 45 now	**22.1 years**	22.4 years
- for a female aged 65 now	**23.1 years**	23.2 years
- at 65 for a female member aged 45 now	**24.3 years**	24.4 years

Sensitivity analysis

Present value of defined benefit obligation:

	2021 £000	2020 £000
Discount rate - 25 basis points	**175,682**	**196,831**
Price inflation rate + 25 basis points	**174,127**	**195,887**
Post-retirement mortality assumption - 1 year age rating	**175,418**	**197,775**

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth.

The average duration of the defined benefit obligation at the period ended 31 December 2021 is 16 years.

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26. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Solvay S.A., a company registered in Belgium and listed in NYSE Euronext Stock Exchange in Brussels and Paris, which represents the largest and smallest group that consolidates these financial statements and the ultimate controlling party. Copies of these financial statements can be obtained from the registered office of Solvay S.A. at 310 Rue de Ransbeek, 1120 Brussels, Belgium.

The Company's immediate parent is Solvay UK Holding Company Limited.

The ultimate parent undertaking is Solvay S.A.

The name of the parent of the Group in whose consolidated financial statements the Company's financial statements are consolidated is Solvay S.A. which was incorporated in Belgium.

These financial statements are available upon request from Office of Solvay S.A.
310 Rue de Ransbeek,
1120 Brussels
Belgium.

27. Post balance sheet events

On 24 February 2022, the Government of Russia launched a large-scale military operation in Ukraine. As a result, the international community imposed sanctions on Russia, which in turn prompted the Russian government to impose sanctions against some countries, including those in the European Union creating turmoil in the energy markets, raw materials sourcing, financing and banking systems. Our company is implementing a strict compliance policy, which also covers export control and application of all the sanctions defined against Russia.

The anticipated impact of the conflict is a surge in inflationary pressure, which is already intense and is expected to be mitigated in 2022 through additional pricing and sourcing initiatives. The Company will continue to closely monitor the situation and the evolution of the conflict.

On March 15, 2022, the Group announced its plans to separate into two independent publicly traded companies:

- EssentialCo would comprise leading mono-technology businesses including Soda Ash, Peroxides, Silica and Coatis, which are reported as the Company's Chemicals segment, as well as the Special Chem business. It is expected that Solvay Interox would a part of this group.
- SpecialtyCo would comprise the Company's currently reported Materials segment, including its high-growth, high-margin Specialty Polymers, its high-performance Composites business, as well as the majority of its Solutions segment, including Novecare, Technology Solutions, Aroma Performance, and Oil & Gas.

The transaction is subject to general market conditions and customary closing conditions, including final approval by Solvay's Board of Directors, consent of certain financing providers and shareholder approval at an extraordinary general meeting, and is expected to be completed in the second half of 2023. The Board of Directors of Solvac, Solvay's long-standing reference shareholder, has confirmed its support of Solvay's transaction. This is considered to be a non-adjusting event.

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28. Prior year restatement

Following review, it was identified that trade creditors factored to Solvay SA had been offset against amounts owed by group undertakings in prior years. Essentially the Company was legally and contractually liable to pay amounts due to these creditors as at year end and had no right to set-off these balances under the intercompany cash pool arrangement with its group companies. The effects of the error have been accounted for as a restatement of prior year balances reflected in these financial statements as follows:

	£000		£000
Total debtors as previously stated as at 31/12/2020	45,348	Total current assets as previously stated as at 31/12/2020	47,030
Effect of prior year adjustment	3,022	Effect of prior year adjustment	3,022
Re-stated debtors as at 31/12/2020	**48,370**	**Re-stated current assets as at 31/12/2020**	**50,052**
Creditors due within one year as previously stated as at 31/12/2020	5,077	Total current liabilities as previously stated as at 31/12/2020	5,077
Effect of prior year adjustment	3,022	Effect of prior year adjustment	3,022
Re-stated creditors due within one year at 31/12/2020	**8,099**	**Re-stated current liabilities as at 31/12/2020**	**8,099**

The error did not impact the net current assets or the net assets of the Company in prior year.