

EVONIK SPECIALITY ORGANICS LIMITED

Annual Report and Financial Statements

for the year ended

31 December 2020

Registered number: 02709572

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Evonik Speciality Organics Limited
Annual Report and Financial Statements for the year ended 31 December 2020

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Evonik Speciality Organics Limited
Strategic Report for the year ended 31 December 2020

Business review and principal activities

The principal activities of the Company are concerned with the provision of legal and management services to the Evonik group.

Since 1st January 2021 the company ceased to provide legal services to the Evonik group. The company will continue to provide cash management services.

The results for the Company in the year show a profit before taxation of €1,662 (2019: €53,065). Net assets at the end of the year were €221,507,316 (2019: €221,505,934).

Key performance indicators (KPIs)

Due to the straightforward nature of the Company, the Directors do not use KPIs to manage the business and do not consider them necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The principal risks and uncertainties of the Company relate to credit risk in relation to debtor balances as described in the financial risk management note in the Directors' report.

COVID-19

As an intra-group services provider company, the company has limited face to face dealing with external parties and is therefore able to minimise localised spread of COVID-19 by management of human contact. Off-site communications can be effected through use of video conferencing, with the employee able to work remotely using a laptop.

BREXIT

The principal activity of the company is the provision of legal services to other group companies. It has been assessed that the overall impact of Brexit on the company is relatively minor.

Approved by the Board on 14 April 2021 and signed on its behalf by:



Anh Luu
Director

Evonik Speciality Organics Limited
Directors' Report for the year ended 31 December 2020

The Directors present their annual report and the audited financial statements of Evonik Speciality Organics Limited (Company number: 02709572) for the year ended 31 December 2020.

Future outlook

Since 1st January 2021 the company ceased to provide legal services to the Evonik group. The company will continue to provide cash management services.

Dividends

No dividend was paid to Shareholders in the year (2019: €nil).

Directors

The directors who served during the year and after the balance sheet date up to the date of signing the financial statements are as follows:

A Luu

L Deusser (Appointed 30th June 2020)

V Wruck (Resigned 30th June 2020)

M Kittler (Resigned 30th June 2020)

J Almeida (Resigned 31st December 2020)

Research and development

There were no research and development costs during the year (2019: €nil).

Financial risk management

The Company's financial risk management policies are discussed in note 11.

Cash management

As a member of the Evonik Industries AG cash pool arrangement, the Company's cash management is effectively controlled by its German parent organisation. The Evonik Industries AG Treasury function conducts an annual global risk assessment exercise. This information is used to provide a risk adjusted interest rate which is applied between the Company and its German parent in respect of any loans receivable or payable, on an arm's length basis.

Post-balance sheet events

There were no post-balance sheet events (2019: none).

Directors' indemnity provisions

There were no qualifying third party indemnity provisions in force for the benefit of one or more of the Directors at any time during the financial year (2019: none) and at the date of approval of the financial statements.

Evonik Speciality Organics Limited

Directors' Report for the year ended 31 December 2020 (Continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Approved by the Board on 14 April 2021 and signed on its behalf by:



Anh Luu
Director

Evonik Speciality Organics Limited

Independent auditors' report to the members of Evonik Speciality Organics Limited

Report on the audit of the financial statements

Opinion

In our opinion, Evonik Speciality Organics Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income; the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Evonik Speciality Organics Limited

Independent auditors' report to the members of Evonik Speciality Organics Limited (continued)

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to unusual journals relating to cash payments and manipulation of accounting estimates. Audit procedures performed included:

- Testing higher risk journal entries, testing accounting estimates and performing certain unpredictable procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Evonik Speciality Organics Limited

Independent auditors' report to the members of Evonik Speciality Organics Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
14 April 2021

Evonik Speciality Organics Limited

Statement of Comprehensive Income for the year ended 31 December 2020

		2020	2019
	Note	€	€
Turnover	2	201,981	264,953
Cost of Sales		<u>(193,278)</u>	<u>(214,490)</u>
Gross Profit		8,703	50,463
Administrative expenses		(69,192)	(10,465)
Other operating income		<u>62,167</u>	<u>13,304</u>
Operating profit	3	1,678	53,302
Interest receivable and similar income	6	-	403
Interest payable and similar expenses	7	<u>(16)</u>	<u>(640)</u>
Profit before taxation		<u>1,662</u>	<u>53,065</u>
Tax on profit	8	(280)	(180)
Profit and total comprehensive income for the year		<u>1,382</u>	<u>52,885</u>

Evonik Speciality Organics Limited
Balance Sheet as at 31 December 2020

	Note	2020 €	2019 €
Current assets			
Debtors: amounts falling due within one year	9	155,053,947	155,283,462
Cash at bank and in hand		<u>66,485,127</u>	<u>66,276,711</u>
		221,539,074	221,560,173
Creditors:			
amounts falling due within one year	10	<u>(31,758)</u>	<u>(54,239)</u>
Net current assets		<u>221,507,316</u>	<u>221,505,934</u>
Total assets less current liabilities		<u>221,507,316</u>	<u>221,505,934</u>
Net assets		<u>221,507,316</u>	<u>221,505,934</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Capital reserves		221,424,730	221,424,730
Profit and loss account		<u>81,586</u>	<u>80,204</u>
Total equity		<u>221,507,316</u>	<u>221,505,934</u>

The financial statements on pages 8 to 17 were approved by the Board of Directors on 14 April 2021 and were signed on its behalf by:



Anh Luu
Director

Evonik Speciality Organics Limited

Statement of Changes in Equity for the year ended 31 December 2020

	Note	Called up share capital €	Capital reserves €	Profit and loss account €	Total equity €
Balance at 1 January 2019		1,000	249,439,563	12,486	249,453,049
Profit for the financial year		-	-	52,885	52,885
Return on capital contributions	13	-	(28,000,000)	-	(28,000,000)
Transfer in reserves		-	(14,833)	14,833	-
Balance at 31 December 2019		<u>1,000</u>	<u>221,424,730</u>	<u>80,204</u>	<u>221,505,934</u>
Profit for the financial year		-	-	1,382	1,382
Balance at 31 December 2020		<u>1,000</u>	<u>221,424,730</u>	<u>81,586</u>	<u>221,507,316</u>

Evonik Speciality Organics Limited

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

1. Basis of accounting and principal accounting policies

Evonik Speciality Organics Limited is a private limited company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Unit 6 Greenford Park, Ockham Drive, Greenford, Middlesex, England, UB6 0FD.

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006. They were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Evonik Industries AG, includes the Company in its consolidated financial statements. The consolidated financial statements of Evonik Industries AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Rellinghauser Strasse 1-11, 45128 Essen, Germany.

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

- IAS 7 - A Cash Flow Statement and related notes;
- IAS 1 - Comparative period reconciliations for share capital, tangible fixed assets, intangible assets;
- IAS 24 - Disclosures in respect of transactions with wholly owned subsidiaries of Evonik Industries AG;
- IAS 8 - The effects of new but not yet effective IFRS's;
- IAS 24 - Disclosures in respect of the compensation of Key Management Personnel.
- IFRS 7 - Disclosures in respect of financial instruments.
- IFRS 13 - Disclosures in respect of Fair Value Measurement

A summary of the significant accounting policies is set out below. The accounting policies have been applied consistently throughout the year.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Turnover which is derived entirely from continuing operations, represents the amounts (excluding Value Added Tax) derived from the provision of services to customers during the year. Turnover is recognised when the services have been provided.

Functional currency

Items included in the financial statements of the company are measured in Euros as this is the primary currency of the company's operating and financing activities. The financial statements are presented in 'Euros' (€), which is also the company's presentation currency.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Evonik Speciality Organics Limited

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

1. Basis of accounting and principal accounting policies (continued)

Financial instruments

Financial instruments comprise cash and cash equivalents, inter-company and other debtors and creditors.

Amounts owed by group undertakings

Amounts owed by group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

Other debtors

Other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Other creditors

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

Management consider that the fair value of all debtors and creditors that are repayable on demand is equal to their book value, therefore no asset impairments have been carried out.

Impairment

Financial assets (including intercompany and other debtors)

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

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

Employee benefit costs

The company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Evonik Speciality Organics Limited

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

2. Turnover

All of the Company's turnover is derived from the same activity, namely the provision of legal and management services to the wider Evonik group.

	2020	2019
	€	€
UK	95,385	70,786
Germany	106,596	194,167
	<u>201,981</u>	<u>264,953</u>

3. Operating profit

Total operating profit is stated after (crediting)/charging:

	2020	2019
	€	€
Exchange gains	(62,167)	(13,304)
Exchange losses	65,485	7,064

Audit fees of €1,700 (2019: €1,700) relate to the audit of these financial statements, are borne by another group company and are not recharged.

4. Staff numbers and cost

	2020	2019
	Number	Number
Average monthly number of employees (including directors)		
Sales and administration	1	1
The aggregate payroll costs of these persons was as follows:		
	2020	2019
	€	€
Wages and salaries	127,977	141,400
Social security costs	21,007	21,269
Other pension costs	9,064	9,629
	<u>158,048</u>	<u>172,298</u>

All payroll costs relate to the one director who received remuneration from the company for her services to the company during the year and this is shown in the table above (one in 2019).

Evonik Speciality Organics Limited

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

5. Stakeholder Pension Plan

The Company operates a defined contribution stakeholder pension plan which is open to new employees. The cost recognised in the year for the Company's contributions amounted to €9,064 (2019: €9,629). Outstanding contributions at the balance sheet date amounted to €nil (2019: €0).

6. Interest receivable and similar income

	2020 €	2019 €
Other interest and similar income	-	403
	-	403

7. Interest payable and similar expenses

	2020 €	2019 €
Interest to group undertakings	16	640

8. Tax on profit

	2020 €	2019 €
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior periods	280	180
Total current tax	280	180
Deferred tax		
Effects of change in rate	-	-
Adjustments in respect of prior periods	-	-
Total Deferred tax	-	-
Tax on profit	280	180

Tax assessed for the year is lower (2019: lower) than the standard rate of tax in the UK of 19% (2019: 19%).
The differences are explained below.

Evonik Speciality Organics Limited

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

8. Tax on profit (continued)

	2020 €	2019 €
Profit before taxation	1,662	53,065
Profit before taxation multiplied by standard rate in the UK 19% (2019: 19%)	316	10,082
<i>Effects of:</i>		
Expenses not deductible for tax purposes	122	-
Excess not paid for group relief	(438)	(10,005)
Adjustments in respect of prior periods	280	180
Other tax effects	-	(77)
Total tax charge for the year	280	180

Factors affecting current and future tax charges:

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

9. Debtors

	2020 €	2019 €
Debtors: amounts falling due within one year		
Amounts owed by group undertakings	155,047,947	155,274,488
Other debtors	6,000	8,974
	155,053,947	155,283,462

Amounts owed by group undertakings includes an interest bearing asset consisting of a loan to its German parent Evonik Industries AG of €155,034,439 (2019: €155,165,387). The loans are unsecured and the interest rate is calculated on an arm's length basis and is variable in nature based on one month Euribor. There are no fixed repayment terms, but the loans could be recalled at any time. Other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Evonik Speciality Organics Limited

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

10. Creditors: amounts falling due within one year

	2020	2019
	€	€
Creditors: amounts falling due within one year		
Other creditors	<u>31,758</u>	<u>54,239</u>

11. Financial risk management objectives and policies

Financial risk management framework

The Company is exposed to interest rate cash flow risk, credit risk and liquidity risk through its inter-company financing.

Interest rate cash flow risk

The Company has an interest bearing asset consisting of a loan to its German parent, Evonik Industries AG. The interest rate is calculated on an arm's length basis and is variable in nature based on one month Euribor.

As a member of the Evonik Industries AG cash pool arrangement, the Company's cash management is effectively controlled by its German parent organisation. The Evonik Industries AG Treasury function conducts an annual global risk assessment exercise. This information is used to provide a risk adjusted interest rate which is applied between the Company and its German parent in respect of any loans receivable or payable, on an arm's length basis.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its inter-company loan balances. These are all due from its German parent company. As at 31 December 2020, there are no provisions recognised as management assess that the loans are recoverable (2019: €nil).

Liquidity risk

Liquidity risk is the risk that the Company either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The Group's approach to managing liquidity risk is to evaluate current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and headroom on its working capital facilities.

Capital management

The capital structure of the company consists of shareholders' equity. The Company manages its capital by determining the amount of dividends payable based on the availability of capital and liquidity demands. There are no restrictions on capital.

Evonik Speciality Organics Limited

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

12. Called up share capital

	2020	2019
	€	€
Allotted and fully paid		
44,500 ordinary shares of €0.0225 each (2019: 44,500 ordinary shares of €0.0225 each)	<u>1,000</u>	<u>1,000</u>

13. Return on capital contribution

There were no capital distributions made in the year. In 2019 the Company distributed €28,000,000 of capital which had been contributed from its immediate parent, Evonik UK Holdings Limited. This was settled through a reduction in amounts owed by group undertakings.

14. Related party relationships and transactions

The company has taken advantage of the exemption from disclosing related party transactions with fellow group members under IAS 24 on the grounds that the group is wholly owned by Evonik Industries AG whose consolidated financial statements are publicly available.

15. Ultimate holding company and controlling party

The Company's immediate holding company is Evonik UK Holdings Limited, a company registered and incorporated in England and Wales.

The ultimate parent company and controlling party of Evonik Speciality Organics Limited is Evonik Industries AG, a company registered and incorporated in Germany. The consolidated financial statements of Evonik Industries AG, being the smallest and largest group to consolidate these financial statements, can be obtained from Rellinghauser Strasse 1-11, 45128 Essen, Germany.