

Keuper Gas Storage Limited  
Annual Report and financial statements  
for the year ended 31 December 2019

Registered Number 08850140



# Keuper Gas Storage Limited

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# Keuper Gas Storage Limited

## Directors' Report for the year ended 31 December 2019

The directors present their report and the audited financial statements of the company for the year ended 31 December 2019. The company is exempt from producing a strategic report under S414B Companies Act 2006.

### **Principal activities, review of the business, results and dividends**

The company was incorporated on 17 January 2014 as a gas storage business. The business is currently in its development stage. Commercialisation phase activities commenced in 2017 and are ongoing.

The loss before taxation was £24,000 (2018: £29,000).

No dividends have been paid or recommended in 2019 (2018: £nil).

### **Future developments**

The directors expect the company to continue to develop its plans for gas storage assets during 2020.

### **Subsequent events**

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

The withdrawal agreement under which the United Kingdom will leave the European Union was ratified on 31 January 2020. This has started a transition period until the end of December 2020. The Company does not anticipate this to have any significant impact on its current activities.

*COVID-19 coronavirus*

The Company is closely monitoring the evolution of the COVID-19 coronavirus and is following World Health Organisation advice. With regards to business impact, the effect the virus will have on the global economy and the chemicals industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects.

### **Donations**

The company made no political contributions during the year (2018: £nil).

### **Principal risks and uncertainties and financial risk management**

The company has not been exposed to any significant risks during the year to 31 December 2019. Once the company commences trading, its operations are expected to expose the company to risks from changing market demand, and increases in competition. These risks are expected for a European gas storage business and are continually monitored through reference to financial performance and where appropriate through the use of hedging instruments to secure margin.

Operating within the Chemical industry, the company is highly regulated, with Environmental, Health and Safety laws and regulations governing our operations and providing our licence to operate. The Company places compliance with these laws and regulations as the number one priority and has a "best in class" reputation within the Industry.

### **Directors**

The directors who held office during the year and up to the date of signing this report were as follows:

A White (Resigned 5 March 2019)  
A Brown (Resigned 5 March 2019)  
J A Nicolson (Resigned 5 March 2019)  
J D Taylorson (Appointed 5 March 2019)  
C E Tane (Appointed 5 March 2019, resigned 1 January 2020)  
M J Maher (Appointed 5 March 2019)  
G Tuft (Appointed 1 January 2020)

# Keuper Gas Storage Limited

## Directors' Report for the year ended 31 December 2019 (continued)

### Directors' indemnities

As permitted by the Articles of Association, the Company, via a policy maintained by its parent undertaking has maintained cover for its directors and officers under a directors' and officers' liability insurance policy as permitted by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### Going concern

The directors have considered the company's projected future cash flows and working capital requirements coupled with the significant uncertainty due to the COVID-19 crisis and are confident that the company has sufficient cash flows to meet its working capital requirements for the next twelve months. In addition, the directors have received confirmation that the parent will continue to support the company for at least the next twelve months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

### Statement of directors' responsibilities in respect of the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Independent Auditors

During the year Deloitte LLP were appointed as auditors and have expressed their willingness to continue in office as auditor pursuant to Section 487 of the Companies Act 2006. Appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

# Keuper Gas Storage Limited

## Directors' Report for the year ended 31 December 2019 (continued)

### Registered address

Keuper Gas Storage Limited  
Runcorn Site HQ  
South Parade  
Runcorn  
Cheshire  
WA7 4JE  
United Kingdom

On behalf of the Board



M J Maher  
Director  
25 September 2020

# Keuper Gas Storage Limited

## Independent auditor's report to the members of Keuper Gas Storage Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Keuper Gas Storage Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 income statement;
- the statement of financial position;
- the statement of changes in equity;
- the accounting policies; and
- the related notes 1 to 9.

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

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

# Keuper Gas Storage Limited

## Independent auditor's report to the members of Keuper Gas Storage Limited (continued)

### Responsibilities of directors

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 directors' report.

#### Matters on which we are required to report by exception

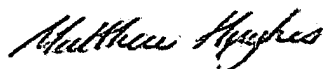
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Hughes BSc(Hons) ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds  
25 September 2020

# Keuper Gas Storage Limited

## Income Statement for the year ended 31 December 2019

		2019	2018
	Note	£'000	£'000
Administrative expenses		(24)	(29)
Loss before taxation	1	(24)	(29)
Tax charge	2	-	-
Loss for the financial year		(24)	(29)

All activities of the company relate to continuing operations.

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



# Keuper Gas Storage Limited

## Statement of Financial Position as at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Property, plant and equipment	3	4,264	4,064
		<b>4,264</b>	<b>4,064</b>
<b>Current assets</b>			
Debtors – amounts falling due within one year	4	3	2
		<b>3</b>	<b>2</b>
<b>Creditors - amounts falling due within one year</b>	5	<b>(4,389)</b>	<b>(4,164)</b>
<b>Net current liabilities</b>		<b>(4,386)</b>	<b>(4,162)</b>
<b>Net liabilities</b>		<b>(122)</b>	<b>(98)</b>
<b>Capital and reserves</b>			
Share capital	6	-	-
Accumulated losses		<b>(122)</b>	<b>(98)</b>
<b>Total shareholders' deficit</b>		<b>(122)</b>	<b>(98)</b>

The notes on pages 13 to 17 are an integral part of these financial statements. These financial statements on pages 8 to 17 were approved by the board of directors on 25 September 2020 and signed on its behalf by:



M J Maher  
Director

Keuper Gas Storage Limited  
Registered no. 08850140

# Keuper Gas Storage Limited

## Statement of Changes in Equity for the year ended 31 December 2019

	Share capital £'000	Accumulated losses £'000	Total shareholders' deficit £'000
<b>Balance at 1 January 2018</b>	-	(69)	(69)
Loss for the financial year	-	(29)	(29)
<b>Total comprehensive expense for the year</b>	-	(29)	(29)
<b>Balance at 31 December 2018</b>	-	<b>(98)</b>	<b>(98)</b>
Loss for the financial year	-	(24)	(24)
<b>Total comprehensive expense for the year</b>	-	(24)	(24)
<b>Balance at 31 December 2019</b>	-	<b>(122)</b>	<b>(122)</b>

# Keuper Gas Storage Limited

## Accounting policies

Keuper Gas Storage Limited (the “Company”) is a private limited company incorporated in the United Kingdom, registered in England and Wales. The address of the Company’s registered office is shown on page 5.

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using FRS 101, on a going concern basis and under the historical cost accounting rules.

The functional and presentational currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The directors have considered the company’s projected future cash flows and working capital requirements coupled with the significant uncertainty due to the COVID-19 crisis and are confident that the company has sufficient cash flows to meet its working capital requirements for the next twelve months. In addition, the directors have received confirmation that the parent will continue to support the company for at least the next twelve months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

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.

INEOS Enterprises Holdings Limited, a parent undertaking included the Company in its consolidated statements until 5 March 2019 at which point the Company and its immediate parent company, INEOS Enterprises Group Limited was acquired by INOVYN Finance plc, a sister company, as part of a wider INEOS restructuring. The consolidated financial statements of INEOS Enterprises Holdings Limited, were prepared in accordance with the International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary at Unit 14, Evenwood Close, Runcorn, WA7 1LZ, United Kingdom.

From 5 March 2019 INOVYN Limited, a parent undertaking, includes the Company in its consolidated financial statements. The consolidated financial statements of INOVYN Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary at Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom.

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

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 9.

### Changes in accounting policies

From 1 January 2019 IFRS 16 Leases became applicable, however, the Company has no agreements that fall under the scope of this standard as such there has been no impact on the financial statements.

### Measurement convention

The financial statements are prepared on the historical cost basis.

# Keuper Gas Storage Limited

## Accounting policies (continued)

### Non-derivative financial instruments

Non-derivative financial instruments comprise other debtors, cash and cash equivalents, loans and borrowings, and other creditors.

#### *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*

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

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use.

Capital work in progress is held as assets under construction until fully commissioned and transferred into active use. Assets in the course of construction are not depreciated.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the company makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the income statement in the period in which the item is derecognised.

### Impairment

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

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

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

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

# Keuper Gas Storage Limited

## Accounting policies (continued)

### Impairment (continued)

#### *Non-financial assets (continued)*

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

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

### Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# Keuper Gas Storage Limited

## Notes to the Financial Statements

### 1 Loss before taxation

The company had no employees during the year, other than the directors (2018: nil).

The directors did not receive any emoluments in respect of their services to the company (2018: £nil). No directors have benefits accruing under a defined benefit pension scheme (2018: none). The directors were remunerated through other fellow group undertakings with recharge to the Company.

Auditor's remuneration in respect of the audit of these financial statements for the year was £8,000 and was payable to Deloitte LLP (2018: £8,000 – payable to PricewaterhouseCoopers LLP). The audit fees disclosed are incurred by other group companies and are not recharged to the Company. No non-audit services have been provided to the company (2018: £nil).

### 2 Tax charge

#### Recognised in the Income Statement

	2019 £'000	2018 £'000
<b>UK corporation tax</b>		
Current tax on loss in the year	-	-
<b>Deferred tax</b>		
Deferred tax expense	-	-
<b>Tax charge on loss</b>	-	-

#### Reconciliation of effective tax rate

	2019 £'000	2018 £'000
Loss before taxation	(24)	(29)
Loss before taxation multiplied by the standard rate of tax in the UK of 19% (2018: 19 %)	(5)	(6)
Effects of:		
Losses not recognised	5	6
<b>Total tax charge</b>	-	-

#### Factors which may affect future tax charges

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

In the 2020 budget it was announced that the corporation tax main rate would remain at 19% for the financial year beginning 1 April 2020, rather than reducing it to 17% from 1 April 2020. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

# Keuper Gas Storage Limited

## Notes to the Financial Statements (continued)

### 3 Property, plant and equipment

	Assets under construction £'000
<b>Cost</b>	
At 1 January 2018	3,843
Additions	221
At 31 December 2018	4,064
Additions	200
<b>At 31 December 2019</b>	<b>4,264</b>
<b>Accumulated depreciation</b>	
At 1 January 2019 and 31 December 2019	-
<b>Net book value</b>	
<b>At 31 December 2019</b>	<b>4,264</b>
At 31 December 2018	4,064

No borrowing costs were capitalised during the year (2018: £nil)

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

	2019 £'000	2018 £'000
Prepayments and accrued income	3	2
	3	2

### 5 Creditors - amounts falling due within one year

	2019 £'000	2018 £'000
Other payables	6	8
Amounts owed to group undertakings	4,383	4,156
	4,389	4,164

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# Keuper Gas Storage Limited

## Notes to the Financial Statements (continued)

### 6 Share capital

	2019 £'000	2018 £'000
<b>Allotted and fully paid</b>		
100 (2018: 100) ordinary shares of £1 each	-	-
	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. No dividends were recognised in the year (2018: £nil)

### 7 Controlling parties

The ultimate parent undertaking of the Company is INEOS Limited, a company incorporated in the Isle of Man. The directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

Until 5 March 2019 the smallest and largest group in which the results of the Company were consolidated was that headed by INEOS Enterprises Holdings Limited a subsidiary of INEOS Limited. The consolidated financial statements of INEOS Enterprises Holdings Limited are available to the public and may be obtained from the Company Secretary at Unit 14, Evenwood Close, Runcorn, WA7 1LZ, United Kingdom, which is the Company's registered office.

From 5 March 2019 the smallest and largest group in which the results of the Company are consolidated is that headed by INOVYN Limited. The consolidated financial statements of INOVYN Limited are available to the public and may be obtained from the Company Secretary at Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom, which is the Company's registered office.

### 8 Subsequent Events

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

The withdrawal agreement under which the United Kingdom will leave the European Union was ratified on 31 January 2020. This has started a transition period until the end of December 2020. The Company does not anticipate this to have any significant impact on its current activities.

#### *COVID-19 coronavirus*

The Company is closely monitoring the evolution of the COVID-19 coronavirus and is following World Health Organisation advice. With regards to business impact, the effect the virus will have on the global economy and the chemicals industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects.

#### *Financing group*

On 29 June 2020, INEOS Styrolution declared its intention to acquire BP's global Aromatics and Acetyls business. Upon completion of the acquisition, INOVYN Finance plc, an intermediate holding company, will become a subsidiary of INEOS Styrolution, and will become part of a new finance group together with the Aromatics and Acetyls business. The Company's ultimate parent undertaking will not change.



# Keuper Gas Storage Limited

## Notes to the Financial Statements (continued)

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

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

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

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

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

#### **Key sources of estimation uncertainty**

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

#### **Impairment of tangible assets**

Tangible assets relate to costs incurred in obtaining the rights to build gas storage units. The residual value of the tangible assets is re-assessed annually. When assessing impairment of tangible assets, management considers factors including changes in the use of the asset and the overall plan to proceed with the development. See Note 3 for the carrying amount of the property, plant and equipment and Note 1 for the accounting policies.