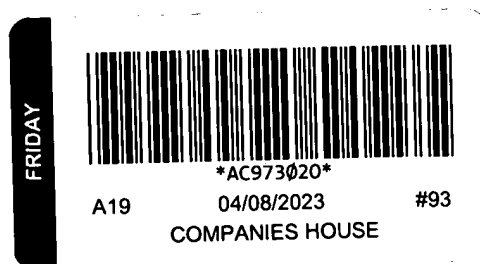


Keuper Gas Storage Limited
Annual Report and financial statements
for the year ended 31 December 2022

Registered Number 08850140



Keuper Gas Storage Limited

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Keuper Gas Storage Limited

Directors' Report for the year ended 31 December 2022

The Directors present their report with the financial statements and auditor's report of Keuper Gas Storage Limited (the 'Company') for the year ended 31 December 2022. The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Company is exempt from producing a strategic report under S414B of the 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 and holds the rights to these activities. Commercialisation phase activities commenced in 2017. More recently, the Inovyn Group has been exploring the possibilities of storing hydrogen, this project is expected to utilise the rights held by the Company.

The loss before taxation was £8,000 (2021: £79,000).

No dividends have been paid or recommended in the year (2021: £nil).

Future developments

The Directors expect the Company to continue to develop its plans for gas storage assets during 2023.

Donations

The Company made no political contributions during the year (2021: £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 2022. 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 will be 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 the wider INOVYN Group, headed by INEOS Inovyn Limited, to which the Company belongs, 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:

D J Horrocks

J D Morrison

P M Daniels (appointed 4 January 2022)

J D Taylorson (resigned 4 January 2022)

Directors' indemnities

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

Going concern

The Directors have considered the Company's projected future cash flows and working capital requirements and are confident that the Company has sufficient cash flows to meet its working capital requirements for the next twelve months despite having net current liabilities of £4,511,000 (2021 £4,503,000) and net liabilities of £247,000 (2021: £239,000). The Directors have stress tested the projected future cash flows through taking account of reasonable possible changes in performance to determine the level of support that may be required from the parent Company. The Directors have received confirmation that the intermediate parent, INEOS Inovyn Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

Keuper Gas Storage Limited

Directors' Report for the year ended 31 December 2022 (continued)

Going concern (continued)

After making enquiries, the Directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

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

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

Registered address

Keuper Gas Storage Limited, Bankes Lane Office, Bankes Lane, Runcorn, Cheshire, WA7 4JE, United Kingdom

Approved by the board and signed on its behalf



D J Horrocks
Director
01 August 2023

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 2022 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 balance sheet;
- the statement of changes in equity;
- the accounting policies; and
- the related notes 1 to 8.

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.

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.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

Keuper Gas Storage Limited

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

Extent to which the audit was considered capable of detecting irregularities, including fraud *(continued)*

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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

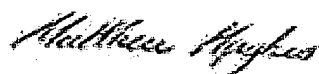
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



Matthew Hughes BSc (Hons) ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
01 August 2023

Keuper Gas Storage Limited

Income Statement for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Administrative expenses		(8)	(79)
Loss before taxation	1	(8)	(79)
Tax charge	2	-	-
Loss for the financial year		(8)	(79)

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 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Property, plant and equipment	3	4,264	4,264
		4,264	4,264
Current assets			
Debtors – amounts falling due within one year	4	-	1
		-	1
Creditors - amounts falling due within one year	5	(4,511)	(4,504)
Net current liabilities		(4,511)	(4,503)
Net liabilities		(247)	(239)
Capital and reserves			
Share capital	6	-	-
Accumulated losses		(247)	(239)
Total shareholder's deficit		(247)	(239)

The notes on pages 14 to 16 are an integral part of these financial statements. These financial statements on pages 8 to 16 were approved by the board of Directors on 01 August 2023 and signed on its behalf by:



D J Horrocks
Director

Keuper Gas Storage Limited
Registered no. 08850140

Keuper Gas Storage Limited

Statement of Changes in Equity for the year ended 31 December 2022

	Share capital £'000	Accumulated losses £'000	Total shareholder's deficit £'000
Balance at 1 January 2021	-	(160)	(160)
Loss for the financial year	-	(79)	(79)
Total comprehensive expense for the year	-	(79)	(79)
Balance at 31 December 2021	-	(239)	(239)
Loss for the financial year	-	(8)	(8)
Total comprehensive expense for the year	-	(8)	(8)
Balance at 31 December 2022	-	(247)	(247)

Keuper Gas Storage Limited

Accounting policies

Keuper Gas Storage Limited (the “Company”) is a private limited Company incorporated under the Companies Act 2006 in the United Kingdom, registered in England and Wales and limited by shares. The address of the Company’s registered office is shown on page 4.

These financial statements were prepared in accordance with 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.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (“Adopted IFRSs”) effective 31 December 2022 and with the Companies Act 2006 as applicable to companies using Adopted IFRSs and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

INEOS Inovyn Limited, a parent undertaking, includes the Company in its consolidated financial statements. The consolidated financial statements of INEOS 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 Bankes Lane Office, Bankes Lane, 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 8.

Going concern

The Directors have considered the Company’s projected future cash flows and working capital requirements and are confident that the Company has sufficient cash flows to meet its working capital requirements for the next twelve months. The Directors have stress tested the projected future cash flows through taking account of reasonable possible changes in performance to determine the level of support that may be required from the parent company. The Directors have received confirmation that the intermediate parent, INEOS Inovyn Limited, whose audited financial statements have been subject to review by the Directors, will continue to support the Company for at least the next twelve months from the date of signing these financial statements.

After making enquiries, the Directors have a reasonable expectation that the parent’s going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Changes in accounting policies

There have been no changes to either accounting policies or standards in 2022 that have had a material effect 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)

The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Company to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Financial assets which are considered low risk are not provided for impairment by the Company.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Keuper Gas Storage Limited

Accounting policies (continued)

Impairment (continued)

Calculation of recoverable amount

The recoverable amount is the greater of fair value less cost to sell 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and 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 (2021: nil).

The Directors did not receive any emoluments in respect of their services to the Company (2021: £nil). No Directors have benefits accruing under a defined benefit pension scheme (2021: none). The Directors were remunerated through other fellow group undertakings with no recharge to the Company.

Auditor's remuneration in respect of the audit of these financial statements for the year was £1,708 (2021: £1,236). 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 (2021: £nil).

2 Tax charge

Recognised in the Income Statement

	2022 £'000	2021 £'000
UK corporation tax		
Current tax on loss in the year	-	-
Deferred tax		
Deferred tax expense	-	-
Tax charge on loss	-	-

Reconciliation of effective tax rate

	2022 £'000	2021 £'000
Loss before taxation	(8)	(79)
Loss before taxation multiplied by the standard rate of tax in the UK of 19% (2021: 19 %)	(2)	(15)
Effects of:		
Losses not recognised	2	15
Total tax charge	-	-

Factors affecting future tax (credits)/charges

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxes in the United Kingdom at 31 December 2022 and 31 December 2021 are measured at 25%. These changes have not impacted the Company in the current year.

Keuper Gas Storage Limited

Notes to the Financial Statements (continued)

3 Property, plant and equipment

	Assets under construction £'000
Cost	
At 1 January 2022 and 31 December 2022	4,264
Accumulated depreciation	
At 1 January 2022 and 31 December 2022	-
Net book value	
At 31 December 2021 and 31 December 2022	4,264

No borrowing costs were capitalised during the year (2021: £nil)

4 Debtors – amounts falling due within one year

	2022 £'000	2021 £'000
Prepayments and accrued income	-	1
	-	1

5 Creditors - amounts falling due within one year

	2022 £'000	2021 £'000
Other payables	1	1
Amounts owed to group undertakings	4,510	4,503
	4,511	4,504

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

	2022 £'000	2021 £'000
Allotted and fully paid		
100 (2021: 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 (2021: £nil)

7 Controlling parties

The immediate parent undertaking of the company is INEOS Enterprises Group limited, a company incorporated in the United Kingdom. The ultimate parent undertaking of the Company is INEOS Limited, a Company incorporated in the Isle of Man. The Directors regard Mr J A Ratcliffe as the ultimate controlling party by virtue of his majority shareholding in INEOS Limited.

The smallest group in which the results of the Company are consolidated is that headed by INEOS Inovyn Limited (formerly INOVYN Limited). On 3 February 2023 INOVYN Limited changed its name to INEOS Inovyn Limited. The consolidated financial statements of INEOS Inovyn Limited are available to the public and may be obtained from the Company Secretary at Bankes Lane Office, Bankes Lane, PO Box 9, Runcorn, Cheshire, WA7 4JE, United Kingdom, which is the Company's registered office. The largest group in which the results of the Company are consolidated is that headed by INEOS Industries Limited. The consolidated financial statements of INEOS Industries Limited are available to the public and may be obtained from the Company Secretary at Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

8 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, the expiration date of the rights held and the overall plan to proceed with the development. Given the nature of the asset any impairment resulting from this assessment would result in the full write down of the asset to nil. Following the completion of the submission and sign-off of the initial planning conditions including the start of the site road building and the construction of various site entrances the rights awarded have become enduring, as such no impairment has been recognised. See Note 3 for the carrying amount of the property, plant and equipment and pages 11 to 13 for the accounting policies.