

**Irish National Petroleum  
Corporation Designated Activity  
Company**

**Directors' report and financial statements**

**Year ended 31 December 2021**

***Registered number: 69757***

# Irish National Petroleum Corporation Designated Activity Company

## Directors' report and financial statements

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# Irish National Petroleum Corporation Designated Activity Company

## Directors and other information

<b>Directors</b>	Terry Nolan (Chairperson) Mairéad McCabe Pat Meehan (resigned 29 July 2021) Frank Bergin (appointed 29 July 2021)
<b>Company secretary</b>	Pat Meehan (resigned 10 June 2021) Lisa Mullan (appointed 10 June 2021)
<b>Registered office</b>	Second Floor, Building Number 3 Number One, Ballsbridge 126 Pembroke Road Dublin 4 D04 EP27
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 D02 DE03
<b>Bankers</b>	Bank of Ireland College Green Dublin 2 D02 VR66  National Treasury Management Agency Treasury Dock North Wall Quay Dublin 1 D01 A9T8
<b>Solicitors</b>	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2 D02 CK83
<b>Registered number</b>	69757

# Irish National Petroleum Corporation Designated Activity Company

## Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements of the company, for the year ended 31 December 2021.

### **Principal activities, business review and future developments**

The principal activity of the company is the management of the retained assets, liabilities, rights and obligations arising from the sale of its business and subsidiaries in 2001. The Department of the Environment, Climate and Communications has confirmed that the company is expected to remain in operation for at least the next 12 months. Key risks and uncertainties relate to the successful settlement of any claims for liability arising from the disposal of the business operations some years previously (see note 11 for details). There are no particular key performance indicators utilised by the directors.

### **Results for year and dividends**

Details of the results for the year are set out on page 10 and related notes.

The directors do not propose to pay a dividend in respect of the year ended 31 December 2021.

### **Directors and company secretary and their interests**

The directors and secretary who held office at 31 December 2021 did not have any beneficial interest in the share capital of the company or any group companies during the year.

### **Post balance sheet events**

There have been no significant events since the balance sheet date and the date of approval of these financial statements, which require adjustment or disclosure in these financial statements.

### **Prompt Payments Act**

The company complies with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations 2002 and its predecessor, the Prompt Payments of Accounts Act 1999 and the company operates a policy of paying all undisputed suppliers' invoices within the agreed terms of payment and within 45 days of receipt of invoice.

### **Corporate governance**

Maintaining high standards of corporate governance continues to be a priority of the directors. The Code of Practice for the Governance of State Bodies (2016) is the foundation on which their corporate governance policy is based.

### **Principles of good governance**

The directors are accountable to the shareholders for good corporate governance and the following statement describes how the relevant principles of good governance set out in the Code of Practice for the Governance of State Bodies (2016) are applied in the company.

# Irish National Petroleum Corporation Designated Activity Company

## Directors' report *(continued)*

### **The board**

The board is currently comprised of three non-executive directors appointed by the Minister for the Environment, Climate and Communications. All directors are subject to re-election by the Minister for the Environment, Climate and Communications at each annual general meeting.

Given its status as a State Company, its shareholding structure and the appointment of the directors by the Minister, the board believes that the criteria normally used by the board of a listed company in considering the independence of its directors do not apply to the company. The board has considered the matter of designating a recognised senior member other than the Chairperson to whom concerns can be conveyed and, in view of the manner of appointment of directors, the shareholding structure and existing board procedures, has concluded it is not appropriate in the circumstances.

The board takes the major strategic decisions and retains full and effective control while allowing operating management (via a Service Level Agreement with NORA) sufficient flexibility to run the business efficiently and effectively.

The performance of the company is closely monitored at all times. The board meets regularly, usually on a bi-monthly basis, and management supplies the board with comprehensive information to enable it to discharge its duties.

Certain matters are specifically reserved to the board for its decision. Each director brings independent judgment to bear on all matters dealt with by the board including those relating to strategy, performance, resources and standards of conduct. Each director receives appropriate training on appointment to the board.

All directors have access to the advice and services of the company secretary who is responsible to the board for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The company's professional advisors are available for consultation by the board as required. Individual directors may take independent professional advice, if necessary, at the company's expense.

All directors receive full board papers in sufficient time in advance of board meetings and any further backup papers and information are available to directors on request.

### **Gender balance, diversity and inclusion**

The Minister for the Environment, Climate and Communications has responsibility for appointments to the board of the company. As at 31 December 2021, the board was comprised of one female (33%) and two male members (67%) with no positions vacant.

The Board therefore does not meet the Government target of a minimum of 40% representation of each gender in the membership of State Boards. Given the current structure of the Agency whereby the Minister has appointed only 3 Directors, the Government's target representation cannot be achieved.

The Chairperson has due regard for the benefits of diversity and the gender composition of the board is highlighted when making submissions to the Minister on board appointments and re-appointments.

### **Relations with shareholders**

The board and management maintain an ongoing dialogue with the shareholders on strategic issues.

### **Board committees**

There are currently no board committees.

# Irish National Petroleum Corporation Designated Activity Company

## Directors' report *(continued)*

### Internal controls

An ongoing process exists for identifying, evaluating and managing the significant risks faced by the company. This process is periodically reviewed by the directors and has been in place throughout the accounting period and up to the date the financial statements were approved.

The directors acknowledge that they are responsible for the company's system of internal control and for reviewing its effectiveness. Such a system of internal control is designed to manage rather than eliminate business risks and can provide only reasonable rather than absolute assurance against material misstatement or loss.

The board has reviewed the effectiveness of the system of internal control. In particular, it has evaluated the significant risks affecting the business and the policies and procedures by which those risks are managed. Management is responsible for the identification and evaluation of significant risks and for the design and implementation of appropriate internal controls. These risks are assessed on an ongoing basis and are derived from a variety of external and internal sources. Management reports to the board on any significant changes in the company's business and on any risks associated with such changes. The process used to identify and manage key risks is an integral part of the internal control environment.

In order to discharge that responsibility, the board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

### Internal Control Matters

The Agency has complied with the Code of Practice for the Governance of State Bodies (2016) throughout the period with the exception of the item highlighted below.

### Ministers Meeting

During the period 1 January to 31 December 2021, no meeting with the Minister took place.

### Directors' remuneration

There are currently no executive board members. The remuneration of the non-executive board members in the performance of these duties for the company is in compliance with Government guidelines on the payment of directors' fees. The company operates the 'One Person One Salary' principle whereby public sector employees are not entitled to receive additional fees from public sector directorships. Under this principle no fees were paid to Mairead McCabe, or Frank Bergin. Pat Meehan was paid on a pro-rata basis for the period 1<sup>st</sup> June to 29<sup>th</sup> July 2021 as during that period he had retired from the Public Service. The board members do not receive pensions.

Directors' fees paid in the period to 1 January to 31 December 2021 were:

		€
<b>Chairperson:</b>	Terry Nolan	1,200
<b>Directors:</b>	Pat Meehan (resigned 29 July 2021)	150
	Mairéad McCabe	-
	Frank Bergin (appointed 29 July 2021)	-
	<b>Total</b>	<b>1,350</b>

# Irish National Petroleum Corporation Designated Activity Company

Directors' report *(continued)*

## Directors' attendance at board meetings

In accordance with the requirements of the Code of Practice for the Government of State Bodies, the following is a summary of the attendances of each board member at board meetings for the year ended 31 December 2021.

Number of board meetings held: 6

### Attendance:

Terry Nolan	6
Mairéad McCabe	6
Pat Meehan	3
Frank Bergin	3

## Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function, through services supplied to the company by the National Oil Reserves Agency under a Service Level Agreement. The accounting records of the company are maintained at Second Floor, Building Number 3, Number One, Ballsbridge, 126 Pembroke Road, Dublin 4, D04 EP27.

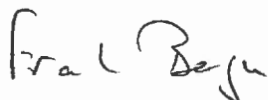
## Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware.

## Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Frank Bergin  
Director



Terry Nolan  
Director

10 June 2022

# Irish National Petroleum Corporation Designated Activity Company

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

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

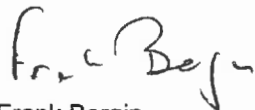
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



Frank Bergin  
Director



Terry Nolan  
Director

10 JUNE 2022





**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the members of Irish National Petroleum Corporation Designated Activity Company

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Irish National Petroleum Corporation Designated Activity Company ("the company") for the year ended 31 December 2021 set out on pages 10 to 16, which comprise the statement of profit and loss and other comprehensive income, the statement of income and retained earnings, the statement of financial position, the statement of cash flows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 the date when the financial statements are authorised for issue.

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



## Independent auditor's report to the members of Irish National Petroleum Corporation Designated Activity Company *(continued)*

### **Report on the audit of the financial statements *(continued)***

#### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of 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 as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

#### ***Opinions on other matters prescribed by the Companies Act 2014***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

#### **Respective responsibilities and restrictions on use**

##### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## Independent auditor's report to the members of Irish National Petroleum Corporation Designated Activity Company *(continued)*

### **Respective responsibilities and restrictions on use *(continued)***

#### ***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 (Ireland) 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 fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

21 June 2022

*Richard Hobson*  
**for and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

## Irish National Petroleum Corporation Designated Activity Company

### Statement of profit and loss and other comprehensive income for the year ended 31 December 2021

	<i>Note</i>	<b>2021 €'000</b>	2020 €'000
Administrative expenses	3	<b>(532)</b>	(224)
<b>Loss on ordinary activities before taxation</b>		<b>(532)</b>	(224)
Taxation	5	-	-
<b>Loss for the financial year</b>		<b>(532)</b>	(224)
<b>Total comprehensive (loss)/income</b>		<b>(532)</b>	(224)

The company had no other comprehensive income in the current or preceding financial year.

### Statement of income and retained earnings

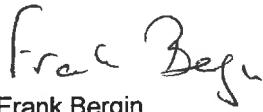
	<b>2021 €'000</b>	2020 €'000
<b>Profit and loss account at beginning of year</b>	<b>10,519</b>	10,743
(Loss)/profit for the financial year	<b>(532)</b>	(224)
<b>Profit and loss account at end of year</b>	<b>9,987</b>	10,519

# Irish National Petroleum Corporation Designated Activity Company

## Statement of financial position as at 31 December 2021

	<i>Note</i>	<b>2021</b> €'000	2020 €'000
<b>Current assets</b>			
Debtors	6	1	3
Investments	7	9,500	9,000
Cash at bank and in hand	8	691	1,545
		<hr/>	<hr/>
		<b>10,192</b>	10,548
<b>Creditors: amounts falling due within one year</b>	9	<b>(205)</b>	(29)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>9,987</b>	10,519
		<hr/>	<hr/>
<b>Net assets</b>		<b>9,987</b>	10,519
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		9,987	10,519
		<hr/>	<hr/>
<b>Shareholders' equity</b>		<b>9,987</b>	10,519
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board

  
Frank Bergin  
Director

  
Terry Nolan  
Director

# Irish National Petroleum Corporation Designated Activity Company

## Statement of cash flows for the year ended 31 December 2021

	2021 €'000	2020 €'000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the year	(532)	(224)
Decrease in debtors	2	2
Increase in creditors	176	-
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(354)</b>	<b>(222)</b>
<b>Cash flows from investing activities</b>		
Maturity of short term Exchequer Notes	9,500	-
Purchase of short term Exchequer Notes	(10,000)	(9,000)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(500)</b>	<b>(9,000)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(854)</b>	<b>(9,222)</b>
Cash and cash equivalents at beginning of year	1,545	10,767
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>691</b>	<b>1,545</b>
	<hr/> <hr/>	<hr/> <hr/>

# Irish National Petroleum Corporation Designated Activity Company

## Notes

*forming part of the financial statements*

### 1 Accounting policies

Irish National Petroleum Corporation Designated Activity Company ("the company") is a company limited by shares and incorporated and domiciled in Ireland. The address of its registered office is Second Floor, Building Number 3, Number One, Ballsbridge, 126 Pembroke Road, Dublin 4, D04 EP27.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is Euro.

The accounting policies have been applied consistently to all periods presented in these financial statements.

#### Investments

On initial recognition, investments in Exchequer notes are measured at the transaction price. Subsequent to initial recognition these investments are measured at amortised cost using the effective interest method.

#### Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange applicable at the balance sheet date. All exchange differences arising are dealt with in the profit and loss account.

#### Going concern basis of preparation

The Department of the Environment, Climate and Communications has confirmed that the company is expected to remain in operation for at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

# Irish National Petroleum Corporation Designated Activity Company

## Notes (continued)

### 2 Staff numbers and costs

There were no persons employed by the company in the current or previous financial years.

<b>3 Administrative expenses</b>	<b>2021</b> <b>€'000</b>	<b>2020</b> <b>€'000</b>
Expenses	532	224
	<u>532</u>	<u>224</u>
	<u><u>532</u></u>	<u><u>224</u></u>
<b>4 Statutory and other information</b>	<b>2021</b> <b>€'000</b>	<b>2020</b> <b>€'000</b>
Directors' remuneration	1	1
Auditor's remuneration	6	7
	<u>1</u>	<u>1</u>
	<u>6</u>	<u>7</u>
	<u><u>7</u></u>	<u><u>8</u></u>
<b>5 Taxation</b>	<b>2021</b> <b>€'000</b>	<b>2020</b> <b>€'000</b>
Irish corporation tax	-	-
	<u>-</u>	<u>-</u>
<b>Total tax charge</b>	<b>-</b>	<b>-</b>
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
	<b>2021</b> <b>€'000</b>	<b>2020</b> <b>€'000</b>
<b>Factors affecting tax charge for the year</b>		
(Loss)/profit on ordinary activities before tax	(532)	(224)
	<u>(532)</u>	<u>(224)</u>
(Loss)/profit on ordinary activities at 25%	(133)	(56)
	<u>(133)</u>	<u>(56)</u>
<i>Tax effects of:</i>		
Post cessation expenses disallowed	133	56
	<u>133</u>	<u>56</u>
<b>Current tax charge</b>	<b>-</b>	<b>-</b>
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The company has unrecognised deferred tax assets of €989,589 (2020: €856,503) in respect of certain tax losses carried forward as the directors consider their recoverability is uncertain at this time.



# Irish National Petroleum Corporation Designated Activity Company

## Notes (continued)

<b>6 Debtors</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Prepayments	1	1
Corporation tax receivable	-	2
	<u>1</u>	<u>3</u>

<b>7 Current asset investments</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Exchequer Notes	9,500	9,000
	<u>9,500</u>	<u>9,000</u>

At 31 December 2021, the company held €9,500,000 (2020: €9,000,000) Exchequer Notes issued by the National Treasury Management Agency, with maturity dates of 31 March 2022, 30 June 2022 and 30 December 2022.

<b>8 Cash and cash equivalents</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Cash at bank and in hand	691	1,545
	<u>691</u>	<u>1,545</u>

<b>9 Creditors: amounts falling due within one year</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Trade creditors	4	3
Accruals	179	24
VAT/PSWT	22	2
	<u>205</u>	<u>29</u>

## **10 Called up share capital**

There are 100 ordinary shares of €1.27 authorised, of which 2 shares were allotted, called up and fully paid at 31 December 2020 and 31 December 2021.

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.

# Irish National Petroleum Corporation Designated Activity Company

## Notes *(continued)*

### **11 Contingencies**

The company has retained responsibility for certain future environmental liabilities, capped at US\$75m, as part of the conditions relating to the sale of certain assets and former subsidiaries to Tosco Corporation in July 2001. The company entered into certain insurance arrangements in respect of these potential liabilities. While some claims have been made and settled to date it is not possible for the directors to predict with any reasonable certainty the ultimate liability, if any, which may arise. However, 16 July 2013 marked the end of the period of liability for environmental claims at Whitegate Refinery under the terms of the Sale and Purchase Agreement in 2001. The company retains full responsibility for the liabilities associated with the jetty at Whiddy Island, Bantry Bay. The directors are satisfied that any amounts provided are likely to be adequate having regard to insurance arrangements and best available information at 31 December 2021.

### **12 Related party disclosures**

In common with many other entities Irish National Petroleum Corporation Designated Activity Company deals in the normal course of business with other government sponsored bodies under the control of the Department of the Environment, Climate and Communications.

The National Oil Reserves Agency Designated Activity Company (NORA) is under the control of the Department of the Environment, Climate and Communications and is therefore considered a related party of the company. During the year ended 31 December 2021 administration expenses of €42,455 (2020: €39,378) were charged by NORA, which related to costs incurred by NORA, on behalf of the company, including insurance and rent. €3,511 was owed by the company to NORA at 31 December 2021 (2020: €3,490).

### **13 Controlling party**

The company is 100% owned and controlled by the Department of the Environment, Climate and Communications.

### **14 Approval of financial statements**

The financial statements were approved by the board of directors on 10 June 2022.