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Registration number: 03129113

Rhodia Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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Rhodia Holdings Limited

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Rhodia Holdings Limited

Company Information

Directors

I Fryer

M Dawes

A Murphy

Company secretary

A Murphy

Registered office

34 Clarendon Road
Watford
Hertfordshire
WD17 1JJ
United Kingdom

Auditor

Deloitte LLP
Four BrindleyPlace
Birmingham
B1 2HZ
United Kingdom

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Rhodia Holdings Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The Company's sole activity continues to be that of an investment holding company. Details of the Company's investments and their activities are given in Note 7 to these financial statements.

Fair review of the business

The company's operations are managed under the supervision of the ultimate parent company and are limited to the holding of loans receivable from and payable to fellow subsidiaries, cash and investments in subsidiary companies.

The loss for the year was £171,000 (2019: loss £100,115,000). Investments are reviewed annually and are impaired where the cost of the investment is greater than the net asset value of the associated company. At 31 December 2020 no additional impairments were identified (2019: £100,000,000). Net assets have moved to £245,248,000 from £245,419,000 in the prior year driven by the loss incurred in the year.

The company remains a wholly owned subsidiary of Solvay SA.

Given that the principal activity of the company is as a holding company, the directors do not consider that key performance indicators are applicable.

Principal risks and uncertainties

The principal risks and uncertainties are those of the underlying investments whose profitability will be influenced by volumes sold, the selling price and the price of raw materials. This will influence the dividends paid and the holding value of these investments.

Following Brexit, a Brexit task force was set up to ensure preparedness for the transition expected at the end of 2020. This taskforce has considered all options including a no deal exit from the EU and has focused on putting supply chain measures in place to ensure that supplies are not disrupted. As of the report date, Brexit has not had a significant impact on the performance of the company. At the Solvay Group level an IT project was managed to facilitate new customs and taxes regimes.

The spread of COVID-19 has continued to severely impact many local economies around the globe. The operating conditions in the company's trading subsidiary in 2021 remains difficult following the COVID-19 outbreak lockdowns and changing regulations.

Section 172(1) statement

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

Our Stakeholders

The directors -consider that the Company's key stakeholders are its shareholders.

The Board seeks to understand the respective interest of this stakeholder group so that these may be properly considered in the Board's decisions. We do this through various means including direct engagement by Board members, and by receiving reports and updates from members of senior management of group companies.

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

The Board is mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed. The most significant recent example of this is the decision, stemming from the adverse effects of Covid-19 and the continuing low demand in the oil& gas business, to restructure the group's operations to more closely align with current demand schedules whilst protecting the longer term ability to meet customer requirements.

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Section 172(1) statement (continued)

Having regard to the impact of the Company's operations on the community and the environment
The Board supports the Groups goals and initiatives with regard to reducing adverse impacts on the environment and supporting the communities that it touches. Compliance with all legislation intended to protect people, property and the environment is a fundamental priority of the Solvay group and the Board fully supports this. Management lead by example and allocate the required resources to achieve excellence in HSE performance. The Group always seeks to be a good neighbour to the communities in which it operates, and engages positively with community representatives when called upon to do so.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct
The Board recognises the importance of operating a robust corporate governance framework. Part of the Board's remit is to monitor the Group's compliance to high standards of business conduct.

Having regard to the need to act fairly as between members of the Company
After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Company's strategy through the long term, taking into consideration the impact on stakeholders and the need to ensure the long term sustainability of the Company. The Directors, in doing so, act as fairly as possible between the Company's members.

Approved by the Board on 20 December 2021 and signed on its behalf by:

....
A Murphy
Company secretary

34 Clarendon Road
Watford
Hertfordshire
WD17 1JJ
United Kingdom

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Rhodia Holdings Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Directors of the company
The directors, who held office during the year and at the date of this report were as follows:

A Brouhns (Resigned 25 June 2021)

T Hoey (Resigned 30 April 2021)

I Fryer

M Dawes

A Murphy

Dividend
During the year and up to the date of approval of this report, no dividends (2019: £nil) were proposed or paid.

Financial risk management objectives and policies
The Company's activities expose it to credit risk on the Company's principal financial assets, which are trade and other receivables mainly due from other Group entities. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with no historical issues with recoverability.

Future outlook
The directors believe that the company will continue to act as a holding company.

Directors' interests and indemnities
None of the directors held any interests in the share capital of the Company during the year (2019: none). The Company has made qualifying third-party indemnity provisions for the benefit of its directors and the directors of the subsidiaries which remain in force at the date of this report.

Employees
The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, investors, communities and society as a whole. People are at the heart of or business. For it to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way. There are no persons directly employed by the company.

Energy and Carbon Reporting
No disclosure relating to energy and carbon reporting has been made as the company has not consumed more than 40,000 kwh of energy during the year.

Climate change
The Company's trading subsidiary monitors its impact on the environment while engaging in practical methods of sustainability. The subsidiary recognises the importance of its environmental responsibilities, monitors and reports its impact on the environment in accordance with its Environmental Permit and strives for continual improvement in the management of its impact on the environment through the effective use of its ISO14001 certified Environmental Management System. The Company operates in accordance with Solvay Group policies for Sustainability which are described in the Group's annual report which does not form part of this report. Refer Note 13 from where a copy of the Group financial statements can be obtained.

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Going concern

The company has net assets of £245,248,000 (2019: £245,419,000). The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors, having assessed the responses of the directors of the company's ultimate controlling party Solvay S.A. to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Solvay group to continue as a going concern.

The company utilises treasury facilities provided to it by financing entities which are subsidiaries of Solvay SA. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Solvay S.A., the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Solvay SA has indicated that for at least 13 months from the date of signing of these financial statements, it will continue to make available such funds as are needed by the company and its subsidiary companies in order to enable them to meet their financial obligations as they fall due. The directors consider that this should enable the company to continue on a going concern basis for the foreseeable future by meeting its liabilities as they fall due.

Post balance sheet events

There have been no events since the year end that impact the position of the Company. In operating as a holding company with no employees there has been no changes as a result of the COVID 19 pandemic. The operating conditions in the company's trading subsidiary in 2021 remains difficult following the COVID-19 outbreak lockdowns and changing regulations.

On 24 May 2021 the company received a capital injection of £354,209,900 from its parent company Solvay SA, in return for the issue of 354,209,900 new shares of £1 each. The shares were fully paid up in cash. On the same day the company subscribed to 1,416,839,600 ordinary shares of 25p each in its subsidiary company Solvay Solutions UK Limited, fully paid up in cash. The investment of £354,209,900 in the subsidiary company was immediately fully impaired.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Reappointment of auditor

The auditor Deloitte LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 20 December 2021 and signed on its behalf by:

....

A Murphy
Company secretary

34 Clarendon Road
Watford
Hertfordshire
WD17 1JJ
United Kingdom

Rhodia Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Rhodia Holdings Limited

Independent Auditor's Report to the Members of Rhodia Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Rhodia Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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 profit and loss account;
• the balance sheet;
• the statement of changes in equity;
• the related notes 1 to 15.

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 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.

Rhodia Holdings Limited

Independent Auditor's Report to the Members of Rhodia Holdings 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 frameworks that the company operates in, and identified the key laws and regulations that:
• had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Financial Reporting Standards, UK Companies Act and 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 GDPR.

We discussed among the audit engagement team regarding 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.

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

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Independent Auditor's Report to the Members of Rhodia Holdings Limited (continued)

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

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

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report .

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

Emre Saka

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Emre Saka (Senior Statutory Auditor)
for and on behalf of Deloitte LLP,
Statutory Auditor
Birmingham
United Kingdom
Date: 20 December 2021 | 17:00:00 GMT

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Rhodia Holdings Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Administrative expenses		(27)	(27)
Operating loss	4	(27)	(27)
Amounts written off investments	7	-	(100,000)
Interest payable and similar charges	5	(184)	(115)
Loss before tax		(211)	(100,142)
Tax on loss	6	40	27
Loss for the year		(171)	(100,115)

The above results were derived from continuing operations.

There were no other comprehensive income or expense in either the current or preceding year other than those disclosed in the profit and loss account, hence no statement of comprehensive income is required.

The notes on pages 13 to 24 form an integral part of these financial statements.

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Rhodia Holdings Limited

(Registration number: 03129113)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 (Restated) £ 000
Fixed assets			
Investments	7, 15	497,303	497,303
Current assets			
Debtors: Amounts falling due within one year	8, 15	67	51
		67	51
Creditors: Amounts falling due within one year	11	(20,696)	(20,509)
Net current liabilities		(20,629)	(20,458)
Total assets less current liabilities		476,674	476,845
Creditors: Amounts falling due after more than one year	10	(231,426)	(231,426)
Net assets		245,248	245,419
Capital and reserves			
Called up share capital	9	646,088	646,088
Share premium account		262,581	262,581
Profit and loss account		(663,421)	(663,250)
Shareholders' funds		245,248	245,419

The notes on pages 13 to 24 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 20 December 2021 and were signed on its behalf by:

A.

....

A Murphy
Director

Rhodia Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Note	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020		646,088	262,581	(663,250)	245,419
Loss for the year		-	-	(171)	(171)
Total comprehensive expense		-	-	(171)	(171)
At 31 December 2020		646,088	262,581	(663,421)	245,248

	Note	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019		546,088	262,581	(563,135)	245,534
Loss for the year		-	-	(100,115)	(100,115)
Total comprehensive expense		-	-	(100,115)	(100,115)
New share capital subscribed	9	100,000	-	-	100,000
At 31 December 2019		646,088	262,581	(663,250)	245,419

The notes on pages 13 to 24 form an integral part of these financial statements.

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1 General information

The company is a private company limited by share capital, incorporated and registered in the United Kingdom (England & Wales) under the Companies Act 2006. The address of its registered office is 34 Clarendon Road, Watford, Hertfordshire, WD17 1JJ, United Kingdom. The nature of the Company's operations and its principal activities are set out in the strategic report.

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

2 Accounting policies

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

Basis of preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of impairment of assets;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Solvay S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures; and
- Certain disclosures required by IFRS 15 Revenue from Contracts.
- IFRS 5 requirements for non-current assets held for sale and discontinued operations

Where relevant, equivalent disclosures have been given in the group accounts of Solvay SA. The group accounts of Solvay SA are available to the public and can be obtained as set out in note 13.

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2 Accounting policies (continued)

Adoption of New and Revised Standards

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Exemption from preparing group accounts

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Solvay S.A., includes the Company in its consolidated financial statements. The consolidated financial statements of Solvay S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Rue De Ransbeek, 310, 1120 Bruxelles, Belgium.

Going concern

The company has net assets of £245,248,000 (2019: £245,419,000). The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors, having assessed the responses of the directors of the company's ultimate controlling party Solvay S.A. to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Solvay group to continue as a going concern.

The company utilises treasury facilities provided to it by financing entities which are subsidiaries of Solvay SA. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Solvay S.A., the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Solvay SA has indicated that for at least 13 months from the date of signing of these financial statements, it will continue to make available such funds as are needed by the company and its subsidiary companies in order to enable them to meet their financial obligations as they fall due. The directors consider that this should enable the company to continue on a going concern basis for the foreseeable future by meeting its liabilities as they fall due.

Finance income and costs policy

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

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2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.
Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.
Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

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2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of non-financial assets

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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2 Accounting policies (continued)

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.
The company recognises financial assets and financial liabilities in the balance sheet when, and only when, the company becomes party to the contractual provisions of the financial instrument.
Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.
All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.
Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

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

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).
If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through the profit or loss (FVTPL)
Financial assets not otherwise classified above are classified and measured as FVTPL.

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2 Accounting policies (continued)

Financial liabilities at fair value through other comprehensive income
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Financial liabilities, including borrowings, are initially measured at fair value.

Financial liabilities at fair value through the profit or loss
Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Impairment of financial assets

Measurement of Expected Credit Losses

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.
The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Fair value of financial assets and liabilities
Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of judgement is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

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3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
There are no significant key sources of estimation uncertainty. The following item is considered to be critical accounting judgements.

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimation of the investments' net equity. The carrying amount of investments in subsidiaries at the balance sheet date was £240,985,000 with no impairment loss recognised in 2020 (2019: £100,000,000).

Provisions for impairment

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of the of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL

4 Operating loss

Audit fees of these financial statements in the current year amounting to £9,310 (2019: £9,310) were borne by Solvay Solutions UK Limited, a subsidiary undertaking. There were no fees to be paid to the auditor for non-audit work (2019: £nil).

The company had no employees during the year (2019: none).

Directors' emoluments have been borne by another group company. The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2020 or 31 December 2019.

5. Interest payable and similar charges

	2020 £ 000	2019 £ 000
Interest payable to group undertakings	(184)	(115)

6 Income tax

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	(40)	(27)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(211)	(100,142)
Corporation tax at standard rate of 19% (2019: 19%)	(40)	(19,027)
Increase from effect of expenses not deductible in determining taxable profit	-	19,000
Total tax credit	(40)	(27)

In November 2019, the Prime Minister announced the intention to cancel the previously enacted reduction in corporate tax rates. This change to the UK corporation tax rate was substantively enacted on 17 March 2020 and the rate applicable from 1 April 2020 remains at 19 percent rather than the previously enacted reduction to 17 percent. Deferred taxes at the balance sheet date have been measured using the enacted rate of 19% (2019: 17%).

An increase to the main UK corporation tax rate to 25% from 1 April 2023 was announced in the Budget on 11 March 2021 and substantively enacted on 24 May 2021. As these changes had not been substantively enacted at the balance sheet date they are not recognised in these financial statements.

7 Investments

	Subsidiaries £ 000	Loans to subsidiary undertakings (Restated) £ 000	Total (Restated) £ 000
Cost or valuation			
At 1 January 2020	818,292	256,318	1,074,610
At 31 December 2020	818,292	256,318	1,074,610
Impairment			
At 1 January 2020	577,307	-	577,307
At 31 December 2020	577,307	-	577,307
Carrying amount			
At 31 December 2020	240,985	256,318	497,303
At 31 December 2019	240,985	256,318	497,303

Rhodia Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

7 Investments (continued)

Details of the subsidiaries as at 31 December 2020 are as follows:

	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2020	2019
Name of subsidiary					
Rhodia Limited	Investments	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%
Rhodia Organique Fine Limited	Dormant	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%
Solvay Solutions UK Limited	Chemicals	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary 25p shares	100% / 100%	100% / 100%
Rhodia Reorganisation	Dormant	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary 25p shares	100% / 100%	100% / 100%
Rhodia Overseas Limited	Dormant	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%
Rhodia Pharma Solutions (Holdings) Limited	Dormant	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%
ISC Chemicals Limited	Dormant	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%
Rhodia International Holdings Limited	Investments	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%
McIntyre Group Limited	Dormant	34 Clarendon Road Watford,WD17 1JJ, England & Wales	Ordinary £1 shares	100% / 100%	100% / 100%

Details of the composition of the company investments as at 31 December 2020 are as follows:

Principal activity	Country of incorporation	Number of wholly-owned subsidiaries 2020 and 2019
Chemicals	England & Wales	1
Investments	England & Wales	2
Dormant	England & Wales	6
		9

In December 2019 the Company invested an additional £100,000,000 in the share capital of Solvay Solutions UK Limited, to provide advance funding for the Rhodia Pension Fund. All investments are reviewed annually and are impaired where the cost of the investment is greater than the net asset value of the associated company, in this case the net asset value of Solvay Solutions UK Limited indicated that an impairment of £100,000,000 should be recognised.

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7 Investments (continued)

£256,318,000 (2019: £256,318,000) of Loans to subsidiary undertakings is classified as amounts falling due after more than one year. All loans to subsidiary undertakings are interest free, unsecured and repayable with at least 12 months' notice (2019: interest free, unsecured and repayable with at least 12 months' notice).

Pledged as collateral

Included within loans to subsidiary undertakings is £nil (2019: £nil) held as collateral.

8 Trade and other debtors

	31 December 2020 £ 000	31 December 2019 (Restated) £ 000
Debtors from related parties	67	27
Prepayments	-	24
	67	51

9 Share capital

Authorised

900,000,000 ordinary shares of £1 each (2019: 900,000,000 ordinary shares of £1 each).

During 2019, 100,000,000 ordinary shares of £1 each having an aggregate nominal value of £100,000,000 were allotted for an aggregate consideration of £100,000,000.

The Company's other reserves are as follows:
The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.
The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
Ordinary shares of £1 each	646,088,254	646,088,254	646,088,254	646,088,254

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10 Loans and borrowings

	31 December 2020 £ 000	31 December 2019 £ 000
Loans and borrowings falling due after more than one year		
Loans owed to subsidiary undertakings	231,426	231,426

All the above loans and borrowings are owed to subsidiary undertakings and are interest free, unsecured and repayable with at least 12 months' notice (2019: interest free, unsecured and repayable with at least 12 months' notice).

11 Trade and other creditors

	31 December 2020 £ 000	31 December 2019 £ 000
Amounts due to related parties	20,696	20,509

Included in the above is an amount of £9,098,000 (2019: £8,914,000) owed to fellow group undertaking towards cash pooling. Amounts owed to fellow group undertakings incur interest at the inter group rate, are unsecured and repayable on demand. (2019: interest at the inter group rate, unsecured and repayable on demand).

The balance amount of £11,598,000 (2019: £11,595,000) are due from dormant subsidiaries and are interest free and repayable on demand.

12 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Solvay SA. incorporated in Belgium.

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

13 Parent and ultimate parent undertaking

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

The company's immediate and ultimate parent undertaking is Solvay S.A.

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14 Post balance sheet events

There have been no events since the year end that impact the position of the Company. In operating as a holding company with no employees there has been no changes as a result of the COVID 19 pandemic. The operating conditions in the company's trading subsidiary in 2021 remains difficult following the COVID-19 outbreak lockdowns and changing regulations.

On 24 May 2021 the company received a capital injection of £354,209,900 from its parent company Solvay SA, in return for the issue of 354,209,900 new shares of £1 each. The shares were fully paid up in cash.
On the same day the company subscribed to 1,416,839,600 ordinary shares of 25p each in its subsidiary company Solvay Solutions UK Limited, fully paid up in cash. The investment of £354,209,900 in the subsidiary company was immediately fully impaired.

15 Prior year restatement

The loans advanced to subsidiaries were previously disclosed under Debtors: Amounts falling due after more than one year and has been reclassified to Investments: Loans to subsidiary undertakings under Fixed assets. The loans were advanced for long term capital requirements of the respective subsidiaries and for continued use in the business operations and hence has been presented under Fixed assets. As a result of the restatement the prior year net current assets and total trade debtors has decreased by £256,318,000 and the Investments: Loan to subsidiary undertakings and Total fixed assets increased by the same sum.

	£'000s		£'000s
Net current assets as previously stated as at 31/12/2019	235,860	Total Debtors as previously stated as at 31/12/2019	256,369
Prior year adjustment	(256,318)	Prior year adjustment	(256,318)
Restated net current liabilities as at 31/12/2019	(20,458)	Restated Debtors as at 31/12/2019	51

	£'000s		£'000s
Total fixed assets as previously stated as at 31/12/2019	240,985	Investments: Loans to subsidiary undertakings as previously stated as at 31/12/2019	-
Prior year adjustment	256,318	Prior year adjustment	256,318
Restated total fixed assets as at 31/12/2019	497,303	Restated Investments: Loans to subsidiary undertakings as at 31/12/2019	256,318