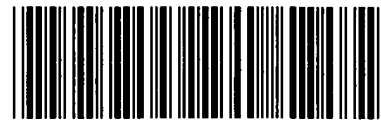


Company Registration No. 03768308

HUNTSMAN (HOLDINGS) UK

**Annual Report and Financial Statements
For the year ended 31 December 2020**

WEDNESDAY



AAE1PWGR

A06

29/09/2021

#348

COMPANIES HOUSE

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

**Annual Report and Financial Statements
For the Year Ended 31 December 2020**

Contents	Page
Company Information	1
Strategic Report	2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report to the members of Huntmsna (Holdings) UK	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 -16

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

COMPANY INFORMATION
For the Year Ended 31 December 2020

Directors	N E D Degrieck K R Hall G R Hodgson
Company Secretary	K R Hall
Registered Office	Concordia House Glenarm Road Wynyard Business Park Billingham England TS22 5FB
Registered Number	03768308 (England and Wales)
Auditor	Deloitte LLP Statutory Auditor 1 City Square Leeds United Kingdom LS1 2AL
Solicitors	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX United Kingdom

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

STRATEGIC REPORT

For the Year Ended 31 December 2020

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company. The principal activities of the company's subsidiaries are the manufacture and sale of textile chemicals and dyes, polyurethane chemicals, surfactants and intermediate chemicals. This is expected to continue into the foreseeable future.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The statement of comprehensive income for the financial year is set out on page 7.

The company made a loss after taxation of £23,000 (2019: loss £4,792,000). It received interest income of £17,865,000 (2019: £15,795,000) and had interest payable of £17,884,000 (2019: £20,584,000).

The key performance indicators of the company monitor the amount of net interest received and paid including foreign exchange effects (net payable 2020: £19,000, 2019 net payable: £4,789,000), the carrying value of the investments (2020: £243,806,000, 2019: £243,806,000) and the value of intercompany debtors and creditors (net creditors 2020: £4,746,000; 2019: £4,723,000). The directors regard this performance as acceptable and in line with expectations. There are no non-financial KPIs.

The directors regard the financial position of the company's business, which has net assets of over £239,000,000 at the year-end, as satisfactory (2019: £239,083,000).

The directors expect the result of the company to remain consistent with 2020 in the forthcoming year, based on the expectation that the current financing structure will remain in place. The company's result could be significantly affected by external interest rate changes which impact the interest received and paid, but which are beyond the company's control.

PRINCIPAL RISK AND UNCERTAINTIES

The company does not trade but is exposed to risks associated with changes in foreign exchange rates with regard to intercompany loans. These risks are monitored on an ongoing basis but the company does not enter into any hedging activity and does not use financial instruments in this regard. The company is also exposed to risks associated with the performance of the companies in which it holds investments.

Management continues to closely monitor developments in relation to the transitional and post transitional phases of Brexit and the potential consequential political and economic uncertainties in order to mitigate any risks to the business.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020 (2019: £nil).

BREXIT

Huntsman group has undertaken a pan-European project to assess and address the risks of Brexit together with external professional advisers. The directors have drawn on this work and considered the possible implications of Brexit for the company and its subsidiaries in terms of supply of labour, supply chain and customer base, import/export and tariff arrangements under a number of possible scenarios. Based on this review the directors are of the opinion that, while Brexit has the potential to affect the business, the long-term nature of the manufacturing agreements that are the basis of the group's activities and the financial support available from Huntsman group make it any adverse impacts of Brexit can be managed for the foreseeable future.

COVID 19

The directors have considered the potential impact of the worldwide epidemic of Covid 19 on the company. It is acknowledged that persistent significant economic disruption may have the potential to disrupt the operations of the company and its subsidiaries. The directors have considered the financial position of the company and its liquidity in the context of the letter of support provided from Huntsman International LLC together with the strong cashflow position of the group as a whole and concluded that the company has access to sufficient resources for the foreseeable future. Following the outbreak of Covid 19 the company has not sought or received UK Government financial assistance.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events took place between the balance sheet date and the date of the signing of the accounts.

APPROVED AND AUTHORISED BY THE BOARD OF DIRECTORS AND SIGNED ON THEIR BEHALF BY



G R Hodgson
Director

24 September 2020

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

DIRECTORS' REPORT

For the Year Ended 31 December 2020

The directors present their annual report on the affairs of Huntsman (Holdings) UK ('the Company') together with the audited financial statements of the company for the year ended 31 December 2020.

DIRECTORS

The directors below have held office during the whole of the period from 1 January 2020 to the date of this report:

N E D Degrieck

K R Hall

G R Hodgson

DIRECTORS INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its directors and directors of one or more fellow group subsidiaries which were made during the year and remain in force at the date of this report.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out within the Strategic Report. The company has no external debt, but is financed through an intercompany loan and through an intercompany cash pooling arrangement. A letter of support has been received from Huntsman International LLC confirming its commitment to provide necessary financial support to the company as may be required. The directors are not aware of any reasonably possible circumstances that would impact on the ability of Huntsman International LLC to provide the funds required for the company to remain in operation for the foreseeable future taking into account reasonable possible changes in trading performance. As a result the directors have concluded that the company remains a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

The Strategic Report contains details of principal risks and uncertainties affecting the business and forms part of this report by cross-reference.

DIVIDENDS

No dividends were paid and no dividends are proposed for the year ended 31 December 2020 (2019: £nil).

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference. There were no significant post-balance sheet events that have occurred up to the date of this report.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved confirms:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves 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.

AUDITOR

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS AND SIGNED ON THEIR BEHALF BY



G R Hodgson
Director

24 September 2020

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

DIRECTORS' RESPONSIBILITIES STATEMENT

For the Year Ended 31 December 2020

The directors are responsible 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 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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have 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.

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTSMAN (HOLDINGS) UK
For the Year Ended 31 December 2020**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Huntsman (Holdings) UK ("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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Huntsman (Holdings) UK (the 'company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 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 doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTSMAN (HOLDINGS) UK

For the Year Ended 31 December 2020

Report on the audit of the financial statements (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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and directors 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 the 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.

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.

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTSMAN (HOLDINGS) UK

Report on the audit of the financial statements (continued)

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the 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.



Michael Jeffrey FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds

United Kingdom

27 September 2021

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Other operating expenses	3		(4)		(3)
OPERATING LOSS			<u>(4)</u>		<u>(3)</u>
Interest receivable and similar income	6		17,865		15,795
Interest payable and similar expenses	7		(17,884)		(20,584)
(LOSS) BEFORE TAXATION	3		<u>(23)</u>		<u>(4,792)</u>
Tax on profit/(loss)	8		-		-
(LOSS) FOR THE FINANCIAL YEAR			<u>(23)</u>		<u>(4,792)</u>
TOTAL COMPREHENSIVE INCOME/EXPENSE			<u>(23)</u>		<u>(4,792)</u>
ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY					

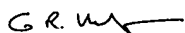
HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

BALANCE SHEET
As at 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
FIXED ASSETS					
Investments	9		243,806		243,806
CURRENT ASSETS					
Debtors amounts recoverable within one year	10	51,976		205,470	
Debtors amounts recoverable after more than one year	10	165,342		165,342	
CREDITORS					
Amounts falling due within one year	12	(222,064)		(375,535)	
NET CURRENT LIABILITIES			(4,746)		(4,723)
TOTAL ASSETS LESS CURRENT LIABILITIES			239,060		239,083
NET ASSETS			239,060		239,083
CAPITAL AND RESERVES					
Called up share capital	13		338,373		338,373
Share premium account	13		74,937		74,937
Profit and loss account	13		(174,250)		(174,227)
TOTAL SHAREHOLDERS' FUNDS			239,060		239,083

The notes on the following pages form part of the financial statements.

The financial statements of Huntsman (Holdings) UK (Registered number 03768308), on pages 8 to 16, were approved by the Board of Directors and authorised for issue on 24 September 2021 and were signed on its behalf by:



G R Hodgson
Director

HUNTSMAN (HOLDINGS) UK, Company Registration 03768308

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Totals £'000
At 1 January 2019	338,373	74,937	(169,435)	243,875
Loss for the financial year	-	-	(4,792)	(4,792)
At 31 December 2019	<u>338,373</u>	<u>74,937</u>	<u>(174,227)</u>	<u>239,083</u>
At 1 January 2020	338,373	74,937	(174,227)	239,083
Loss for the financial year	-	-	(23)	(23)
At 31 December 2020	<u>338,373</u>	<u>74,937</u>	<u>(174,250)</u>	<u>239,060</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

The separate financial statements are prepared in accordance with applicable United Kingdom accounting standards which have been applied consistently in the current and preceding year. The particular accounting policies adopted by the directors are described below.

General information and basis of accounting

Huntsman (Holdings) UK is a private unlimited company, registered in England and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Huntsman (Holdings) UK is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below.

Huntsman (Holdings) UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, financial instruments, intra-group transactions and remuneration of key management personnel.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2. The strategic report also sets out the principal risks and uncertainties facing the company. The company has no external debt but is financed by through an intercompany loan and an intercompany cash pooling arrangement. A letter of support has been received from Huntsman International LLC confirming its commitment to provide necessary financial support to the company as may be required for the next twelve months. The directors are not aware of any circumstances that would impact on the ability of Huntsman International LLC to provide the funds required to remain in operation for the foreseeable future taking into account reasonable possible changes in trading performance. The directors, in their consideration of going concern, have made assessments, including the impact of Covid 19, which they consider to be based on prudent market data and past experience. Based on these assessments and the intra-group finance arrangements and letter of support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

Consolidated financial statements are not presented because Huntsman (Holdings) UK is a wholly owned subsidiary and the company is exempt under s.401 of the Companies Act. The results of Huntsman (Holdings) UK for the year ended 31 December 2020 have been consolidated in the financial statements of Huntsman International LLC, a company registered in the United States of America.

Foreign currencies

Transactions denominated in foreign currencies are translated into Pounds Sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into Pounds Sterling at the rate ruling at that date. These translation differences are dealt with in the profit and loss account.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of investments is derived from measurement of the present value of the future cash flows relating to the investment.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) 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. 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Interest receivable

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount receivable 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 to the financial asset. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Interest payable

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 December 2020

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, 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.

Critical judgements and estimations in applying the Company's accounting policies

There are no critical judgements made in applying the company's accounting policies. The following are the critical estimations that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty - impairment of investments

Assets, other than those measured at fair value are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

The directors have assessed the risk of impairment in the carrying value of the Company's investments in its subsidiaries using discounted cash-flow models. These models are sensitive to discount rates and earnings forecasts.

The discount rate in use is the reflects the marginal cost of borrowing to the group as a whole. The basis of the earnings incorporated into the forecast for each subsidiary will reflect the basis of its operations. For example, where its tolling agreement uses a metric that extends over one year then the earnings for that term will be averaged before being discounted to provide a comparable metric. Companies without such an agreement are modelled based on their most recent year's earnings, adjusted to provide a proxy for cash-flow, and treated as a perpetuity.

Where a subsidiary company's net assets do not exceed the carrying value of the Company's investment in it, sensitivity modelling has been conducted and shows that a variation in the discount rate of +/- 1% or +/- 5% in earnings does not reduce the net present value of the modelled cashflow to a level below the carrying value of the investment.

Key source of estimation uncertainty - deferred tax asset recognition

Due to reporting tax losses in previous years, the company has accumulated tax losses brought forward of £22.3m (2019: £19.7m). These tax losses can be offset against future taxable profits, and therefore represent a deferred tax asset to the company. Under the requirements of FRS 102 Section 29 'Income Tax', unrelieved tax losses shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Estimating the future taxable profits of the company requires an assessment of the future forecasted outlook for the company. As a consequence of this assessment, as described in note 11, management have assumed that none of the losses can be recognised.

3. PROFIT/(LOSS) BEFORE TAXATION

The profit (loss) before taxation is arrived at after charging the audit fee for the audit of the financial statements of £5,300 (2019: £5,200). Remuneration for non-audit services provided by the company's auditors was borne by another group company.

4. DIRECTORS' EMOLUMENTS

None of the directors received any remuneration in respect of services to the company during the year (2019: £nil). The company had no employees during the year.

The directors are remunerated by other Huntsman group companies for their services to the group as a whole. It is not practicable to allocate this between their services to Huntsman (Holdings) UK and other group companies.

5. STAFF COSTS

There were no staff costs for the year ended 31 December 2020 (2019: £nil).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Interest on balances with group undertakings	13,738	15,795
Foreign exchange gain	4,127	-
	<u>17,865</u>	<u>15,795</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 December 2020

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'000	2019 £'000
Foreign exchange loss	-	1,347
Interest payable on intergroup loans	17,884	19,237
	<u>17,884</u>	<u>20,584</u>

8. TAX CHARGE ON PROFIT/(LOSS)

	2020 £'000	2019 £'000
Analysis of tax charge in the year:		
Current tax		
United Kingdom corporation tax charge on profit/(loss) for year	(4)	-
Utilisation of tax losses brought forward	4	-
Overseas taxation	-	-
Total Current Tax	<u>-</u>	<u>-</u>
Deferred Tax		
Current year deferred tax related to pension charges	-	-
Origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	-
Tax charge on profit/(loss)	<u>-</u>	<u>-</u>

Factors affecting charge for the year:

Deferred tax is not recognised due to the uncertainty of future profits. Future profits are significantly affecting by foreign exchange rate volatility.

The standard rate of tax applied to reported profit/(loss) is 19.00% (2019: 19.00%).

Following the Finance Act 2020 and the announcement in the 2021 March budget the rate of corporation tax will rise to 25% with effect from 1 April 2023.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

	2020 £'000	2019 £'000
Profit/(Loss) before tax	<u>(23)</u>	<u>(4,792)</u>
Tax on profit/(loss) at standard UK corporation tax rate of 19.00% (2019: 19.00%)	<u>(4)</u>	<u>(910)</u>
Effects of:		
Overseas Taxation		
Change in unrecognised deferred tax assets		
Utilisation of tax losses	4	910
Income not taxable	-	-
Expenses not deductible	-	-
Total tax charge for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 December 2020

9. FIXED ASSET INVESTMENTS

	2020 £'000	2019 £'000
	Shares in Subsidiaries	Shares in Subsidiaries
Cost and Net Book Value		
As at 1 January	1,590,279	1,591,225
Additions	-	-
Adjustment to contingent cost	-	(946)
Disposals	-	-
As at 31 December	1,590,279	1,590,279
Provision for diminution in value		
As at 1 January	1,346,473	1,346,473
Movement in the year	-	-
As at 31 December	1,346,473	1,346,473
Net Book Value	<u>243,806</u>	<u>243,806</u>

Net expense from shares in group undertakings was £nil (2019: nil).

	Country of Registration and Operation	Proportion of Nominal Value of Ordinary Shares Held
Huntsman IFS Polyurethanes Limited	England & Wales	100%
Huntsman Petrochemicals (UK) Holdings	England & Wales	100%
Huntsman Polyurethanes (UK) Limited	England & Wales	100%
Huntsman Europe Limited	England & Wales	100%
Huntsman Surface Sciences (UK) Limited	England & Wales	100%
Huntsman Offshore Investments Limited	England & Wales	100%
Tioxide Overseas Holdings Limited	England & Wales	100%

With the exception of Huntsman Europe Limited and Huntsman IFS Polyurethanes, all UK subsidiaries are registered in England and Wales and have their registered office at Concordia House, Glenarm Road, Wynyard Business Park, Billingham, England TS22 5FB.

Huntsman Europe Limited has its registered office at Llanelli Plant, Bynea, Llanelli, Dyfed, SA14 9TE.

Huntsman IFS Polyurethanes has its registered office at 26 King Street, Kings Lynn, PE30 1HJ.

The company had the following indirect investments in subsidiaries and associated undertakings, with the investment being held through one of the company's direct subsidiaries above. These indirect subsidiaries and associated undertakings were engaged in the manufacture and sale of titanium dioxide pigment, textile chemicals and dyes, polyurethane chemicals and surfactants.

	Country of Registration and Operation	Proportion of Nominal Value of Ordinary Shares Held
Huntsman International Europe Limited	England & Wales	100%
Huntsman Polyurethanes Sales Limited	England & Wales	100%
Huntsman Polyurethanes (UK) Ventures Limited	England & Wales	100%
Huntsman Corporation (UK) Limited	England & Wales	100%
Huntsman Trustees Limited	England & Wales	100%
Huntsman Pension Trustees Limited	England & Wales	100%
Huntsman Corporation Hungary Limited	Hungary	100%

With the exception of Huntsman Corporation (UK) Limited and Huntsman Trustees Limited, all indirectly held subsidiaries and investments registered in England and Wales have their registered office at Concordia House, Glenarm Road, Wynyard Business Park, Billingham, England TS22 5FB.

Huntsman Corporation (UK) Limited and Huntsman Trustees Limited have their registered office at Llanelli Plant, Bynea, Llanelli, Dyfed, SA14 9TE.

Huntsman Corporation Hungary Limited has its registered office at Pétfürdő, Gyártelep, hrsz. 2387/7, 8105, Hungary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended 31 December 2020

10. DEBTORS	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>51,976</u>	<u>205,470</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>165,342</u>	<u>165,342</u>

Amounts owed by group undertakings are unsecured loans repayable on demand and carry an interest rate of the cost of capital of Huntsman International LLC plus one eighth of one percent.

The £165,342,000 balance relating to "Amounts owed by group undertakings" has been reclassified to non-current debtors in the prior year in order to reflect the substance of the loan which remained in place a year after the balance sheet date.

11. DEFERRED TAX

A deferred tax asset has not been recognised in respect of timing differences relating to non trading losses carried forward, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £4,232,000 (2019: £4,656,560). Any such deferred tax asset would be recovered if sufficient taxable profits were made in future years.

In accordance with the company's accounting policy the deferred tax balances not recognised have been calculated on the basis of a corporation tax rate of 19% as the anticipated increase in the rate of corporation tax to 25 % with effect from 1.4.23 announced in the 2021 budget has not yet been substantively enacted.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£'000	£'000
Amounts owed to group undertakings	<u>222,064</u>	<u>375,535</u>
	<u>222,064</u>	<u>375,535</u>

Interest on amounts owed to group undertakings accrues at a variable rate equal to the cost of funds of Huntsman International LLC (as calculated from time to time by the company in good faith), plus one eighth of one percent per annum. The loans are repayable on demand and are unsecured.

13 CALLED-UP SHARE CAPITAL AND RESERVES	2020	2020	2019	2019
	No. Shares	£'000	No. Shares	£'000
Called-up, allotted and fully paid				
Class A ordinary shares of £1 each	338,368,030	338,368	338,368,030	338,368
Class B ordinary shares of £1 each	5,000	5	5,000	5
	<u>338,373,030</u>	<u>338,373</u>	<u>338,373,030</u>	<u>338,373</u>

Each class of shares has full voting rights attached to them.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

14 PARENT UNDERTAKING

As at 31 December 2020, Huntsman Corporation was the ultimate parent undertaking and controlling party. The immediate parent company is Huntsman (Holdings) Netherlands B.V., a company incorporated in the Netherlands.

Huntsman International LLC, a company registered in the United States, is the parent of the smallest group of which the company is a member and for which consolidated financial statements are prepared. Huntsman Corporation, a company registered in the United States, is the parent of the largest group of which the company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Huntsman International LLC and Huntsman Corporation can be obtained from the group's website at www.huntsman.com.

Huntsman International LLC and Huntsman Corporation have their registered address at 10003 Woodloch Forest Drive, The Woodlands, Texas 77380, USA.

15 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available to wholly-owned group companies within FRS 102 Section 33 "Related Party Disclosures" which allows it not to disclose transactions with Huntsman International entities or investees of Huntsman International qualifying as related parties.

16 POST BALANCE SHEET EVENTS

No significant post balance sheet events occurred between the date of the balance sheet and the date of signing these accounts.