

INEOS Finance PLC

Annual report and financial statements

Registered number 07084307

31 December 2020



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Strategic report

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

Business overview

The principal activity of the Company is to act as a finance company for the INEOS Group Holdings S.A. group of companies. There has been no change from the prior year.

Business review

The directors consider the development of the Company's business during the year to be satisfactory.

The results of the Company are set out in the profit and loss account on page 13 which shows a result for the financial year ended 31 December 2020 of €nil (2019: €nil). The directors do not recommend the payment of a final dividend (2019: €nil).

In June 2020 the Company entered into US Dollar interest rate swap agreements upon a combined total notional value of \$1.2 billion with Barclays Bank, Citibank and JP Morgan that expire in June 2025.

The interest rate swaps are directly linked to interest swaps that INEOS US Finance LLC has made with the Company.

In October 2020 the Company under a senior credit facilities agreement dated 27 April 2012 (as amended and restated), issued €375 million Senior Secured Term Loans which mature on 27 October 2027. In the same month the Company also issued €325 million of Senior Secured Notes due March 2026.

The funding raised by the Company is directly linked to funding loans that it makes to INEOS Holdings Limited.

Objectives and strategy

The directors do not expect any change in the Company's activities during the next financial year as the Company will continue to act as a finance company.

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are discussed in the context of the group as a whole, and are provided in the annual report of parent company INEOS Group Holdings S.A., which does not form part of this report.

Key performance indicators

The directors of INEOS Group Holdings S.A. manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using performance indicators of the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of INEOS Finance PLC. The development, performance and position of the group, including this Company, are discussed in the group's annual report which does not form part of this report.

Approved and signed by order of the board



Y S Ali
Company Secretary
11 June 2021

Directors' report

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

Directors

The directors who held office during the year and up to the date of signing the financial statements are as follows:

J F Ginns
G W Leask

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company where appropriate. The Company manages its credit exposures with a set of policies for on-going credit checks to ensure it only transacts with reputable counterparties.

Future developments

The directors do not expect any change in the Company's activities during the next financial year.

Dividends

The directors do not recommend the payment of an interim or final dividend (2019: €nil).

Going concern

The COVID-19 pandemic adversely impacted the global economy during 2020. Major economies around the world are now recovering, and the successful development and deployment of multiple effective vaccines is reducing the threat of the virus. The Company therefore does not expect COVID-19 to have a significant adverse impact on its activities in the next financial year. Nevertheless, the Company will continue to evaluate the situation and closely monitor any potential effects on its operations and will continue to follow the World Health Organisation and local governments' advice.

As at 31 December 2020 the company has net assets of €0.1 million (2019: €0.1 million); the company meets its day-to-day working capital requirements through its intercompany loan and external facilities. The directors have received confirmation that INEOS Holdings Limited will support the company for at least one year after these financial statements are signed. After making these enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the financial statements, the directors are required to:

Directors' report (continued)

Directors' responsibilities statement (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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.

Disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

Independent auditors

During the year Deloitte LLP were reappointed as auditors and have expressed their willingness to continue in office as auditor pursuant to Section 489 of the Companies Act 2006. Appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved and signed by order of the board



Y S. Ali
Company Secretary
INEOS Finance PLC
Hawkslease
Chapel Lane
Lyndhurst
SO43 7FG
11 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of INEOS Finance PLC (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result 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; 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was in relation to the completeness and accuracy of external borrowings in consideration of the magnitude of the balance.
Materiality	The materiality that we used in the current year was €35m which was determined on the basis of 1% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There has been no significant change in our approach nor in our identification of the key audit matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC (continued)

4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- assessing the day-to-day working capital requirements which are met through its intercompany loan and external facilities financing facilities;
- assessing the ability of the immediate parent undertaking INEOS Holdings Limited to support such requirement if needed; and
- evaluating the appropriateness of going concern disclosures in the financial statements.

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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Completeness and accuracy of external borrowings

Key audit description	The company has external borrowings of €4,159.2 million as at 31 December 2020 (2019: €3,479.8 million), valued at amortised cost as disclosed in note 11 to the financial statements. These borrowings comprise of Senior Secured Term Loans and Senior Secured Notes, with a total of €700m additional borrowings raised in the current year. The Senior Secured Notes are listed on the Euro MTF - Luxembourg Stock Exchange. The external borrowings are material to the company and account for 99.8% of total liabilities. The complete and accurate recording of the external borrowings including the treatment of related debt issuing cost is key to our audit, and is underpinned by the application of appropriate accounting standards, applied consistently to all external debt instruments. Further details are included within note 1 and note 11 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained all loan agreements in relation to the Senior Secured Term Loans and received confirmation of the completeness and accuracy of these borrowings directly from the lenders. For the Senior Secured Notes, we agreed the original EUR bond issue amount to the Euro MTF - Luxembourg Stock Exchange. We considered the treatment of issuing costs, and evaluated the completeness and accuracy of such issuing costs against original agreements and invoices.
Key observations	Based on the work performed we concluded that the completeness and accuracy of external borrowings included in the financial statements is appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC (continued)

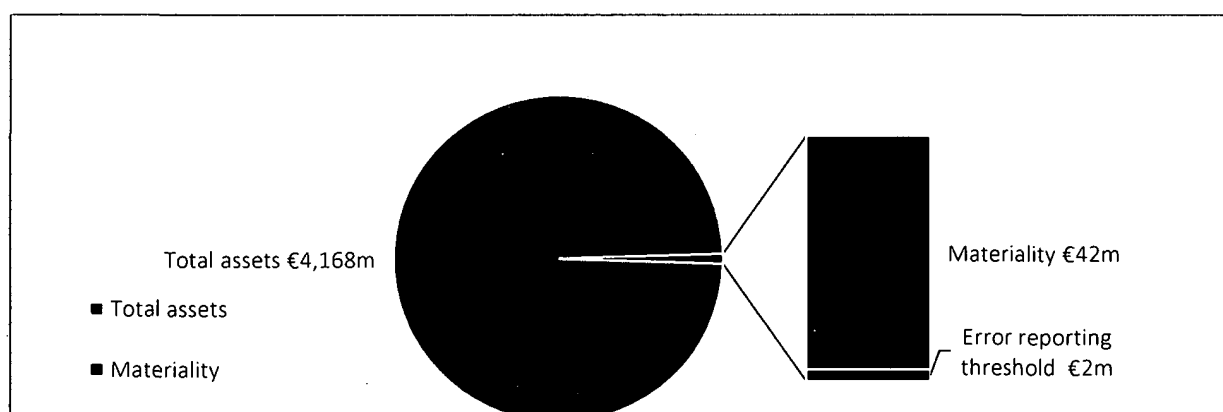
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€42 million (2019: €35 million)
Basis for determining materiality	1% of total assets (2019: 1% of total assets)
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, analysts and lenders, with shareholder value being driven by total assets value movements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- our understanding of the company and its control environment; and
- the level of uncorrected misstatements identified in the prior year.

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of €2 million (2019: €2 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC (continued)

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2 Our consideration of the control environment

We obtained an understanding of the company's control environment through audit procedures over the in-scope processes for the purpose of the Ineos Group Holdings S.A. group audit. Subsequently, as part of our statutory audit process, we have performed additional audit procedures in order to confirm our understanding of all other material company processes. We structured our audit approach to reflect how the company is organised as well as ensuring our audit was both effective and risk focused. Based on our scope and determination of audit approach, the audit engagement team have obtained an understanding of the relevant controls over the financial reporting process and have adopted a fully substantive approach for the audit of the financial statements.

8. 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 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.

9. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC (continued)

10. 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.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations specialist regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and tax legislation.

In addition, we considered provisions of other laws and regulations that 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC (continued)

11.2 Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

1. 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.

2. Matters on which we are required to report by exception

2.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

2.2. Directors' remuneration

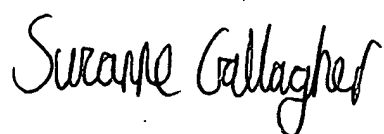
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INEOS FINANCE PLC (continued)

3. 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.



Suzanne Gallagher, FCA, Senior statutory auditor
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
11 June 2021

Profit and Loss Account
for the year ended 31 December 2020

	<i>Note</i>	2020 €'m	2019 €'m
Interest receivable and similar income	4	92.8	91.3
Exceptional interest receivable and similar income	4	-	7.7
Total interest receivable and similar income	4	92.8	99.0
Interest payable and similar expenses	5	(92.8)	(91.3)
Exceptional interest payable and similar expenses	5	-	(7.7)
Total interest payable and similar expenses	5	(92.8)	(99.0)
Result before taxation		-	-
Tax on result	6	-	-
Result for the financial year		-	-

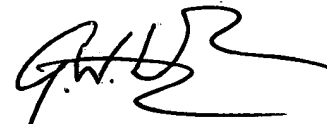
All activities of the Company relate to continuing operations.

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

Balance Sheet
At 31 December 2020

	<i>Note</i>	2020 €'m	2020 €'m	2019 €'m	2019 €'m
Assets					
Other financial assets	7		4.2		-
Current assets					
Debtors: amounts falling due within one year	8	32.6		26.9	
Debtors: amounts falling due after more than one year	8	4,134.9		3,459.2	
		<u>4,167.5</u>		<u>3,486.1</u>	
Creditors: amounts falling due within one year	9	(32.5)		(26.8)	
Net current assets			<u>4,135.0</u>		<u>3,459.3</u>
Total assets less current liabilities			<u>4,139.2</u>		<u>3,459.3</u>
Creditors: amounts falling due after more than one year	10	<u>(4,134.9)</u>		<u>(3,459.2)</u>	
Other financial liabilities	12	(4.2)		-	
			<u>(4,139.1)</u>		<u>(3,459.2)</u>
Net assets			<u>0.1</u>		<u>0.1</u>
Capital and reserves					
Called up share capital	13		0.1		0.1
Profit and loss account			-		-
Total shareholders' funds			<u>0.1</u>		<u>0.1</u>

The financial statements on pages 13 to 26 were approved by the Board of Directors on 11 June 2021 and signed on its behalf by:


G W Leask
Director

Company registered number: 07084307

Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital €'m	Profit and loss account €'m	Total shareholders' funds €'m
Balance at 1 January 2019	0.1	-	0.1
Total comprehensive income for the year			
Result for the financial year	-	-	-
Balance at 31 December 2019	0.1	-	0.1

	Called up share capital €'m	Profit and loss account €'m	Total shareholders' funds €'m
Balance at 1 January 2020	0.1	-	0.1
Total comprehensive income for the year			
Result for the financial year	-	-	-
Balance at 31 December 2020	0.1	-	0.1

Notes

(forming part of the financial statements)

1 Accounting policies

INEOS Finance PLC is a public company, limited by shares, incorporated, registered and domiciled in England UK. The address of the Company's registered office is shown on page 5.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

The financial statements are prepared in Euro which is also the functional currency of the company.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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;
- 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 INEOS Group Holdings 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 IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently on the going concern basis, to all periods presented in these financial statements and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

Impact of New standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2020 which have had a material impact on the company.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis *as modified by financial instruments recognised at fair value*

1.2 Going concern

The company meets its day-to-day working capital requirements through its intercompany loan and external facilities. The directors have received confirmation that INEOS Holdings Limited intends to support the company for at least one year after these financial statements are signed. After making these enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition, the company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade and other creditors

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

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.6 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.7 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

Trade and other receivables

The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Company to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information. Where the Company has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial. The Company assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date, and adjusts the allowance accordingly.

Notes (continued)
(forming part of the financial statements)

1 Accounting policies (continued)

1.7 Impairment excluding stocks and deferred tax assets (continued)

Investments in debt and equity securities

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account, the impairment loss is reversed through profit or loss.

Non-financial assets

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

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

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.9 Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.10 Interest receivable and Interest payable

Interest income and interest expense are recognised in profit or loss as it accrues, using the effective interest method.

Notes (continued)
(forming part of the financial statements)

2 Auditors' remuneration

Fees receivable by the Company's auditors and their associates in respect of services to the Company and their associates were €3,000 (2019: €3,000). This cost has been borne by INEOS Holdings Limited.

3 Staff costs and Directors' remuneration

The Company had no employees during the current or previous year.

Neither the directors nor the secretary received any emoluments during the current or previous year in respect of their services to the Company.

4 Interest receivable and similar income

	2020 €'m	2019 €'m
Interest receivable from group undertakings	92.8	91.3
Exceptional interest receivable and similar income	-	7.7
	<u>92.8</u>	<u>99.0</u>

The Company had made a funding loan to INEOS Holdings Limited that was directly related to the Senior Secured Notes due 2023. The loan was settled in April 2019 through early prepayment along with an early prepayment premium of €7.7 million recorded as additional exceptional interest income.

5 Interest payable and similar expenses

	2020 €'m	2019 €'m
Interest expense on Senior Secured Notes and Term Loans	92.8	91.3
Exceptional interest payable and similar expenses	-	7.7
	<u>92.8</u>	<u>99.0</u>

In 2019, as a result of the early redemption of the Senior Secured Notes due 2023, additional exceptional finance costs of €7.7 million were recognised in respect of early prepayment premiums.

6 Tax on result

There is no tax charge recognised for the financial year (2019: € nil). This is equal (2019: equal) to the standard rate of corporation tax in the UK of 19% (2019: 19%).

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. If enacted this will impact the value of our UK deferred tax balances, and the tax charged on UK profits generated in 2023 and subsequently. We have yet to determine the impact of these proposed changes.

Notes (continued)
(forming part of the financial statements)

7 Other financial assets

	2020 €'m	2019 €'m
Other financial assets		
Financial assets designated as fair value	4.2	-

During June 2020 the company entered into US Dollar interest rate swap agreements with INEOS US Finance LLC, an associate company, upon a combined total notional debt value of \$1.2 billion that are directly related to US Dollar interest swap agreements the Company has with Barclays Bank, Citibank and JP Morgan as disclosed in note 12.

8 Debtors

	2020 €'m	2019 €'m
Amounts owed by group undertakings falling due within one year	32.6	26.9
Amounts owed by group undertakings falling due in more than one year	4,134.9	3,459.2

Amounts owed by group undertakings are unsecured funding loans, carry interest at commercial rates and are directly related to the Senior Secured Notes, Term Loans and Schuldschein Loan issued by the Company as disclosed in note 11. The amounts owned by group undertakings at the end of the reporting period were not past their due date and are deemed collectible. At 31 December 2020 and 2019 there were no significant amounts owed by group undertakings not past due that were subsequently impaired. There were no allowances made against amounts due from other receivables during the years ended 31 December 2020 and 2019.

9 Creditors: amounts falling due within one year

	2020 €'m	2019 €'m
Senior Secured Term Loan maturing 2024 (note 11)	20.6	20.6
Senior Secured Term Loan maturing 2027 (note 11)	3.7	-
Accruals	8.2	6.2
	32.5	26.8

Notes (continued)
(forming part of the financial statements)

10 Creditors: amounts falling due after more than one year

	2020	2019
	€'m	€'m
Senior Secured Term Loan maturing 2024 (note 11)	1,977.6	1,998.2
Senior Secured Term Loan maturing 2027 (note 11)	371.2	-
Senior Secured Notes due 2025 (note 11)	550.0	550.0
Senior Secured Notes due May 2026 (note 11)	770.0	770.0
Senior Secured Notes due March 2026 (note 11)	325.0	-
Schuldschein Loan (note 11)	141.0	141.0
	4,134.8	3,459.2

11 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2020	2019
	€'m	€'m
Creditors: amounts falling due after more than one year		
Senior Secured Term Loan maturing 2024	1,977.6	1,998.2
Senior Secured Term Loan maturing 2027	371.2	-
Senior Secured Notes due 2025	550.0	550.0
Senior Secured Notes due May 2026	770.0	770.0
Senior Secured Notes due March 2026	325.0	-
Schuldschein Loan	141.0	141.0
	4,134.8	3,459.2
	2020	2019
	€'m	€'m
Creditors: amounts falling due within less than one year		
Senior Secured Term Loan maturing 2024	20.6	20.6
Senior Secured Term Loan maturing 2027	3.7	-
	24.3	20.6

Senior Secured Term Loans maturing 2024 & 2027

The Company together with INEOS US Finance LLC, a fellow subsidiary, has outstanding individual borrowings under a senior credit facilities agreement (the 'Senior Secured Term Loans' or 'Term Loans') dated April 27, 2012 (as amended and restated).

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due 2025, the Senior Secured Notes due in 2026 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024 (see Note 14). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

Notes (continued)
(forming part of the financial statements)

11 Interest-bearing loans and borrowings (continued)

Senior Secured Term Loans maturing 2024 & 2027 (continued)

The Term Loans have numerous customary operating and financial incurrence covenants including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

Senior Secured Term Loans maturing 2024

The Senior Secured Term Loan outstanding at December 31, 2020 were €1,998.2 million (2019: €2,018.8 million) of which €20.6 million (2019: €20.6 million) is due within one year.

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans until the final repayment on maturity. The Term Loans are denominated in Euros and mature on March 31, 2024.

The Term Loans bear interest at a rate per annum to EURIBOR (subject to a floor of 0.5% per annum) plus the Applicable Margin. As at December 31, 2020 the Applicable Margin for the Term Loan was 2%.

Senior Secured Term Loans maturing 2027

During October 2020 the Company issued new Senior Secured Term Loans of €375 million of which €3.7 million is due within one year.

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans until the final repayment on maturity. The Term Loans are denominated in Euros and mature on October 27, 2027.

The Term Loans bear interest at a rate per annum to EURIBOR (subject to a floor of 0.5% per annum) plus the Applicable Margin. As at December 31, 2020 the Applicable Margin for the Term Loan was 3%.

Senior Secured Notes due 2025

During November 2017, the Company issued €550 million of Senior Secured Notes due 2025. The Senior Secured Notes due 2025 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Company at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 can be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

Year	Redemption Price
2020	101.0625%
2021	100.53125%
2022 and thereafter	<u>100.000%</u>

Notes (continued)
(forming part of the financial statements)

11 Interest-bearing loans and borrowings (continued)

Senior Secured Notes due 2025 (continued)

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2026 and the Schuldschein Loan and are structurally senior to the INEOS Group Holdings S.A. Senior Notes due 2024 (see Note 14). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Senior Secured Notes due May 2026

During April 2019, the Company issued €770 million of Senior Secured Notes due 2026. The Senior Secured Notes due 2026 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2019. Unless previously redeemed as noted below, the Senior Secured Notes due 2026 will be redeemed by the Company at their principal amount on May 1, 2026.

The Senior Secured Notes due 2026 can be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

Year	Redemption Price
2022	101.4375%
2023	100.71875%
2024 and thereafter	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the INEOS Group Holdings S.A. Senior Notes due 2024 (see Note 14). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Notes (continued)
(forming part of the financial statements)

11 Interest-bearing loans and borrowings (continued)

Senior Secured Notes due March 2026

During October 2020, the Company issued €325 million of Senior Secured Notes due March 2026. The Senior Secured Notes due March 2026 are listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due March 2026 bear interest at 3.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. Unless previously redeemed as noted below, the Senior Secured Notes due March 2026 will be redeemed by the Company at their principal amount on March 31, 2026.

The Senior Secured Notes due March 2026 can be subject to redemption at any time on or after November 15, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

Year	Redemption Price
2022.....	101.688%
2023.....	100.844%
2024 and thereafter.....	100.000%

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due May 2026, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024 (see Note 14). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

Schuldschein Loan

During March 2019, the Company entered a €141 million floating rate loan facility ("Schuldschein Loan"). The facility matures in March 2024.

The Schuldschein Loan bears interest at a rate per annum equal to EURIBOR for an interest period of six months (subject to a floor of 0.50% per annum) plus a margin of 2.00%. Interest on the Schuldschein Loan is payable semi-annually in arrears in September and March of each year.

The Schuldschein Loan ranks pari passu with the Senior Secured Term Loans and the Senior Secured Notes due 2025 and 2026.

Notes (continued)
(forming part of the financial statements)

12 Other financial liabilities

	2020 €'m	2019 €'m
Amounts falling due after more than one year		
Financial liabilities designated as fair value through profit or loss	4.2	-

During June 2020 the Company entered into US Dollar interest rate swap agreements of \$350 million at 0.531% with Barclays Bank expiring June 2025, \$350 million at 0.545% with Citibank expiring June 2025, and \$500 million at 0.5885% with JP Morgan expiring June 2025. These interest rate swap agreements are directly related to US Dollar interest swap agreements the Company has with INEOS US Finance LLC and is connected to INEOS US Finance LLC interest liabilities upon its USD denominated Senior Secured Term Loans.

13 Called up share capital

	2020 €'m	2019 €'m
Allotted, called up and fully paid		
50,000 (2019: 50,000) Ordinary shares of £1 each	0.1	0.1
Shares classified in shareholders' funds	0.1	0.1

As the reporting currency of the Company is the Euro, share capital has been converted to Euros at the effective rate of exchange ruling at the date of issuance. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 Contingent liabilities

The Company is party to a Senior Secured Term Loans agreement dated 27 April 2012 (as amended). The total outstanding indebtedness under the Senior Secured Term Loans agreement at 31 December 2020 was €3,682.3 million (2019: €3,470.9 million) of which €2,373.2 million (2019: €2,018.8 million) is issued by the Company and €1,309.1 million (2019: €1,452.1 million) is issued by INEOS US Finance LLC. The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company.

The Company is party to the Senior Secured Notes due 2025 Indenture dated 03 November 2017 and the Senior Secured Notes due 2026 Indenture dated 24 April 2019 and the Senior Secured Notes due 2026 Indenture dated 29 October 2020. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2020 was €1,645.0 million (2019: €1,320.0 million). The Company is a guarantor under the Senior Secured Notes Indentures. These obligations are secured by fixed and floating charges over the assets of the Company.

The Company is party to a Schuldschein Loan agreement dated 22 March 2019. The total outstanding indebtedness under the Schuldschein Loan agreement at 31 December 2020 was €141.0 million (2019: €141.0 million). The Company is a guarantor under the Schuldschein Loan agreement. These obligations are secured by fixed and floating charges over the assets of the Company.

Notes (continued)
(forming part of the financial statements)

14 Contingent liabilities (continued)

The Company is party to the INEOS Group Holdings S.A. Senior Notes due 2024 Indenture dated 9 August 2016. The total outstanding indebtedness of INEOS Group Holdings S.A. under the Senior Notes at 31 December 2019 was €1,056.5 million (2019: €1,096.3 million), issued by the Company's parent company. The Company is a guarantor under the Senior Notes Indentures. These guarantees are on an unsecured senior subordinated basis.

15 Controlling parties

As at 31 December 2020 the immediate parent undertaking was INEOS Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2020 was INEOS Limited, a company incorporated in Isle of Man. INEOS Group Holdings S.A. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings S.A. can be obtained from the Company Secretary at their registered address, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg.

The directors regard Mr J A Ratcliffe to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking INEOS Limited.

16 Accounting estimates and judgements

The Company prepares its financial statements in accordance with FRS 101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.