

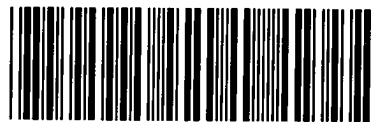
INEOS Finance Company 3 Limited

Annual report and financial statements

Registered number 09337435

31 December 2019

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Strategic report

The directors present their strategic report for the year ended 31 December 2019.

Business overview

The principal activity of the company is to act as a holding company.

Business review

During the year to 31 December 2019 the company made a profit before taxation of \$502.1 million (2018: profit of \$502.1 million).

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 holding 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 Company 3 Limited. The development, performance and position of the group, including this company, is discussed in the group's annual report which does not form part of this report.

Approved and signed by order of the Board



Y Ali
Company Secretary
25 September 2020

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Directors

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

J Ginns

G Leask

D Smeeton

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate 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 is funded internally by the INEOS group and therefore has no direct exposure to liquidity or debt market risk. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Group Holdings S.A..

Future developments

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

Dividends

No interim dividends were paid during the year (2018: \$Nil). No final dividends have been proposed, (2018:\$Nil)

Subsequent events

The company is closely monitoring the evolution of the COVID-19 coronavirus and is following the World Health Organisation and local governments' advice. With regards to business impact, the COVID 19 outbreak is expected to reduce activity for the coming financial year; however, the effect the virus will have on the global economy is difficult to assess at this point in time, although the company is constantly evaluating the situation and monitoring any potential effects on its operations.

Going concern

As at 31 December 2019 the company has net assets of \$9,474 million (2018: \$9,067.3 million); the company meets its day-to-day working capital requirements through its intercompany loan facility. The directors have received confirmation that INEOS Holdings Limited will support the company for at least one year after these financial statements are signed. 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 regulations.

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

Directors' report (continued)

Directors' responsibilities statement (continued)

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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 s418 of the Companies Act 2006.

Independent auditors

During the year Deloitte LLP were appointed as auditors and have expressed their willingness to continue in office as auditor pursuant to Section 485-488 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 Ali
Company Secretary
INEOS Finance Company 3 Limited
Hawkslease, Chapel Lane, Lyndhurst, SO43 7FG
25 September 2020

Independent auditors' report to the members of INEOS Finance Company 3 Limited

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of INEOS Finance Company 3 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditors' report to the members of INEOS Finance Company 3 Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Independent auditors' report to the members of INEOS Finance Company 3 Limited (continued)

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.



Suzanne Gallagher (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading
25 September 2020

Profit and Loss Account
for the year ended 31 December 2019

	<i>Note</i>	2019 \$'m	2018 \$'m
Interest receivable and similar income	Error! Reference source not found.	502.1	502.1
Profit before taxation		502.1	502.1
Tax on profit	Error! Reference source not found.	(95.4)	(95.4)
Profit for the financial year		406.7	406.7

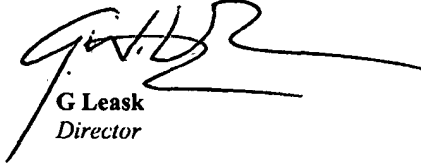
All activities of the company relate to continuing operations.

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

Balance Sheet
at 31 December 2019

	<i>Note</i>	2019 \$'m	2018 \$'m
Current assets			
Debtors (including \$5,700.1m falling due after more than one year (2018: \$7,568.3m))	7	9,966.8	9,464.7
Creditors: amounts falling due within one year	8	<u>(492.8)</u>	<u>(397.4)</u>
Net assets		<u>9,474.0</u>	<u>9,067.3</u>
 Capital and reserves			
Called up share capital	9	7,568.3	7,568.3
Profit and loss account		<u>1,905.7</u>	<u>1,499.0</u>
Total shareholders' funds		<u>9,474.0</u>	<u>9,067.3</u>

The financial statements on pages 9 to 17 were approved by the Board of Directors on 25 September 2020 and signed on its behalf by:


G Leask
Director

Company registered number: 09337435

Statement of Changes in Equity
for the year ended 31 December 2019

	Called up share capital \$'m	Profit and loss account \$'m	Total shareholders' funds \$'m
Balance at 1 January 2018	7,568.3	1,092.3	8,660.6
Profit for the financial year	-	406.7	406.7
Balance at 31 December 2018	<u>7,568.3</u>	<u>1,499.0</u>	<u>9,067.3</u>

	Called up share capital \$'m	Profit and loss account \$'m	Total shareholders' funds \$'m
Balance at 1 January 2019	7,568.3	1,499.0	9,067.3
Profit for the financial year	-	406.7	406.7
Balance at 31 December 2019	<u>7,568.3</u>	<u>1,905.7</u>	<u>9,474.0</u>

Notes
(forming part of the financial statements)

1 Accounting policies

INEOS Finance Company 3 Limited (the “Company”) is a private company, limited by shares, incorporated, registered and domiciled in England, United Kingdom.

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

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;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- 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;
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

1 Accounting policies (continued)

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 new amendments to accounting standards that are effective for the year ended 31 December 2019 which have had a material impact on the company.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies 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.

1.3 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.

Investments in debt and equity securities

Investments subsidiaries are carried at cost less impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

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.

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

1 Accounting policies (continued)

1.4 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.

1.5 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. Refer to Note 1.3 above.

1.6 Taxation

Tax on the profit or loss for the period 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 period, 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.

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

2 Reporting currency

The financial statements are expressed in US dollars as the company's assets are denominated in US dollars.

The exchange rate at 31 December 2019 was \$1.31136/ £1 (2018: \$1.26847/ £1).

3 Auditors' remuneration

Fees receivable by the Company's auditors and their associates in respect of services to the Company and their associates were \$3k (2018: \$3k). This cost has been borne by INEOS Holdings Limited.

4 Directors' remuneration

The Company had no employees during the year (2018: nil). No Directors received any fees or remuneration in respect of their services as a Director of the Company during the financial year (2018: nil).

5 Interest receivable and similar income

	2019 \$'m	2018 \$'m
Interest receivable from group undertakings	<u>502.1</u>	<u>502.1</u>

6 Tax on profit

Recognised in the profit and loss account

	2019 \$'m	2018 \$'m
<i>UK corporation tax</i>		
Current tax	<u>95.4</u>	<u>95.4</u>

Reconciliation of effective tax rate

	2019 \$'m	2018 \$'m
Profit before taxation	<u>502.1</u>	<u>502.1</u>
Profit before taxation multiplied by the standard rate of tax in the UK of 19.00% (2018: 19.00%)	<u>95.4</u>	<u>95.4</u>
Total tax expense	<u><u>95.4</u></u>	<u><u>95.4</u></u>

On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for a reduction in the main rate of UK corporation tax to 17% from 1 April 2020. In the UK Budget of March 2020, it was announced that the reduction in the corporation tax rate would be withdrawn and the rate will now stay at 19%; any relevant impact will be accounted for in the accounts for the year ended 31 December 2020.

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

7 Debtors

	2019 \$'m	2018 \$'m
Amounts due within one year		
Amounts owed by group undertakings	4,266.7	1,896.4
Amounts due after more than one year		
Amounts owed by group undertakings	5,700.1	7,568.3
	<u>9,966.8</u>	<u>9,464.7</u>

Amounts owed by group undertakings due within one year are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

Amounts owed by group undertakings due after more than one year are unsecured, attract interest at commercial rates and are repayable between 2 and 5 years.

8 Creditors: amounts falling due within one year

	2019 \$'m	2018 \$'m
Amounts owed to group undertakings	<u>492.8</u>	<u>397.4</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9 Called up share capital

	Ordinary shares	
Share capital	2019	2018
On issue – fully paid £1 ordinary shares	<u>4,839,288,653</u>	<u>4,839,288,653</u>
	2019	2018
	\$'m	\$'m
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>7,568.3</u>	<u>7,568.3</u>

As the reporting currency of the company is US dollars, share capital has been converted to US dollars at the effective rate of exchange ruling at the date of issuance.

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

10 Controlling parties

The directors regard INEOS Oxide Limited, a company incorporated in the United Kingdom to be the immediate parent undertaking of the company.

The ultimate parent company at 31 December 2019 was INEOS Limited, a company incorporated in the 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 their registered office at Company Secretary, 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.

11 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 2019 was €3,470.9 million (2018: €3,476.7 million). 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. The total outstanding indebtedness under the Senior Secured Notes at 31 December 2019 was €1,320.0 million (2018: €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 2019 was €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.

The Company is party to the Senior Notes due 2024 Indenture dated 9 August 2016. The total outstanding indebtedness under the Senior Notes at 31 December 2019 was €1,096.3 million (2018: €1,087.3 million). The Company is a guarantor under the Senior Notes Indentures. These guarantees are on an unsecured senior subordinated basis.

12 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.

13 Subsequent Events

The Company is closely monitoring the evolution of the COVID-19 coronavirus and is following the World Health Organisation and local governments' advice. With regards to business impact, the COVID 19 outbreak is expected to reduce activity for the coming financial year; however, the effect the virus will have on the global economy is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on its operations.