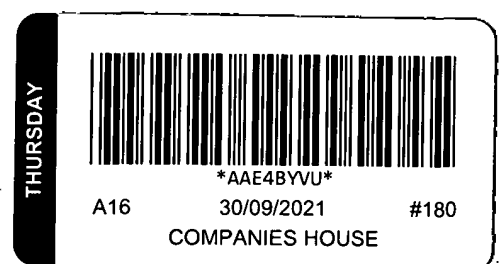


A. Schulman Thermoplastic Compounds Limited

Annual report and financial statements for the year ended December 2020

Company registration number: 01018237 England



A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020

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A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020

Officers and Professional Advisers

Directors

C Andrews

H Kalidas

Company Secretary

Citco Management (UK) Limited

Registered office

1 Kingsland Grange,

Woolston,

Warrington,

Cheshire

WA1 4RA

Bankers

Bank of America NA,

2 King Edward Street,

London

EC1A 1HQ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

No. 1 Spinningfields

1 Hardman Square

Manchester

M3 3EB

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

STRATEGIC REPORT

The directors present their Strategic report on the company for the year ended 31 December 2020.

Review of the business and future developments

The directors are satisfied with the performance in the year during difficult circumstances and every effort is being made to regain the momentum made pre lockdown. Performance from operations before exceptional items generated £3,629,000 operating profit during the 12 month period (16 month period ended 31 December 2019: £2,505,000). Mix and increased margins, from actions initiated in May 2020, improved site performance and the company shows a net profit before taxation of £3,457,000 (16 month period ended 31 December 2019: profit of £1,876,000). The directors expect to see continued operational growth in the future, however given uncertain post Brexit market conditions, this is expected to be a challenge during the transition period.

At the balance sheet date, the net assets of the company totaled £19,451,000 (31 December 2019: £15,519,000).

A. Schulman Thermoplastic Compounds Limited ('the company') principal activities before May 2020 and during the acquisition of the A. Schulman Inc Group (ASI) by LyondellBasell Industries B.V. (LYB) on 21 August 2018 was to manufacture and sell Advanced Polymer Solutions (APS) products from the plant in the UK to external customers primarily in the UK and Ireland. The company also distributed raw material polymer compounds to the plastics industry. As of 1 May 2020, the ultimate parent company LYB, restructured the ASI group by integrating the legacy sales and distribution function into LYB's direct sales model in Europe. As part of the of integration, the marketing and sales activities of the company have been centralised into LYB's single distribution entity for the European business, Basell Sales and Marketing B.V. (BSM). The company's new operation model is to manufacture APS products for BSM in the Netherlands, from which BSM resells to external customers.

Future developments

COVID-19

The events surrounding the COVID-19 pandemic continue to evolve and impact global markets. The spread of COVID-19 has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. Consequently, economic conditions, including commodity prices, have been increasingly volatile. Many of our facilities and employees are based in areas impacted by the virus.

In response to the pandemic, the LyondellBasell Group continues to work with our stakeholders (including customers, employees, suppliers, business partners and local communities) to attempt to mitigate the impact of the global pandemic on our business, including by implementing policies and procedures to promote the safety of our employees, proactively reducing costs intended to allow us to protect against further risk and investing in initiatives to support our long term growth, while also focusing on maintaining liquidity. However, we cannot assure these mitigation efforts will continue to be effective.

With the introduction of vaccines as another tool to mitigate and deal with the pandemic authorities in various parts of the globe have begun lifting restrictions initially set out to deal with the pandemic. As a result of lifting the restrictions demand has increased to pre pandemic levels. However uncertainty still remains due to new strains that can emerge that may result in restrictions being re-imposed and thus makes assessing the impact even more difficult and unpredictable.

Brexit

We have continued to assess the impact of Britain's withdrawal from the European union and we have not identified any significant risk to our business.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

STRATEGIC REPORT

Key performance indicators

The directors believe that the key performance indicators ('KPIs') are revenue growth and operating profitability.

Revenue has decreased from £62,871,000 to £37,437,000 because of the extended accounting period in the prior year and lockdown restrictions due to the Coronavirus.

The profit for the financial period was £3,932,000 (16 month period ended 31 December 2019: profit £1,562,000) which will be transferred to reserves and resulted from improved revenue.

The sales mix established in the prior period has further increased the gross profit margin to 18.8% (16 month period ended 31 December 2019: 11.4%).

Employee numbers decreased by 14 employees, 12.5% (16 month period ended 31 December 2019: 3.8%) in the year as the company completed its restructure to the workforce to manage lower levels of manufactured volume and due to synergies arising from new ownership.

Principal risks and uncertainties

The management of the business is subject to a number of risks including commercial risk, price risk, and credit risk. The mitigation of these risks has been outlined below.

Commercial risk

Commercial risks include those from competitors, economic, environmental, health and safety. The company continues to focus on improvements to its products in order to maintain and develop the groups market place penetration as evidenced by the continued investment in people and research and development of new products

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, currency risk and interest rate cash flow risk. The company has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash out flows and hence manage interest rate risk, the company is supported by fellow group operations. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

STRATEGIC REPORT

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team.

Currency risk

The company is exposed to currency risk as a result of its operations. However, given the size of the company's operations, the cost of managing the exposure to currency risk through the use of derivative financial instruments exceeds any potential benefits, and as such no hedge accounting is applied. The company operates foreign currency bank accounts in order to offset foreign currency receipts and payments.

Interest rate cash flow risk

The company has both interest bearing group assets and interest bearing group liabilities. Interest bearing group assets include only cash pool balances, all of which earn interest at fixed rate. Interest payable is on group cash pool liabilities only and therefore management of cash flows is taken account of as part of the group's financing activity. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Stakeholder engagement

The Company's key stakeholders are its shareholder, employees, suppliers and customers, as well as the communities in which it does business. The interests of the Company's key stakeholders, are considered in management discussions and decision making. The Company takes care to engage with its stakeholders via different formal and informal channels.

The Directors continually review the Company's engagement mechanisms in order to make sure that it is engaging with its stakeholders effectively.

On behalf of the board



H Kalidas

DATE: 28 September 2021

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

DIRECTORS' REPORT

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

All amounts disclosed in the financial statements are round to the nearest £'000.

Future developments

Future developments are deemed to be of strategic importance to the company and as such have been outlined within the Strategic report.

Dividends

The directors are not proposing a dividend for the financial period ended 31 December 2020 (16 month period ended 31 December 2019: £nil).

Going concern

The inter-relationships with other Group companies make the Company dependent on the Group to enable it to continue as a going concern. The majority of sales are made through Basell Sales & Marketing Company B.V, a fellow Group company; this is expected to continue for the foreseeable future.

The company's business activities, together with the factors likely to affect its future development and position, are described above. Despite the economic uncertainty the company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the LyondellBasell Group's centralised treasury arrangements and therefore shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to fulfil its financial obligations. In addition, they have received a letter from the Company's ultimate parent assuring financial support to enable the Company to continue to operate as a going concern and settle its liabilities as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial risk management

Disclosures relating to these areas are included in the strategic report.

Directors

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

C Andrews

M A R Coop – resigned 1 January 2021

H Kalidas – appointed 1 January 2021

Third party indemnity provision

The company has made qualifying third party indemnity provisions for the benefit of its directors (which extend to the performance of any duties as a director of any associated company) and these indemnities were in place throughout the year and remain in force at the date of this report.

Research and development

The company encourages research and development investment. Research and development programs are managed to obtain a balance between improvements to existing products and development of new products.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

DIRECTORS' REPORT

Directors' Statement in performance of their duties under section 172(1)

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regards to stakeholders and matters set out in S172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

The long term

The Company is part of the LyondellBasell Group which directs its overall long term strategy. The Directors understand the business and the evolving environment in which the Company operates. They consider the long term factors when setting the dividend policy.

Employees

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance and, accordingly, maintains regular communications with employees and has well established consultation arrangements.

The prime responsibility for information and consultation rests with managers. It is supplemented by representative bodies at some employment locations. In addition, there is a well establish system by which senior management in the Company make presentations to employees on business results and plans.

Business relationships – suppliers and customers

The Directors are committed to fostering the Company's business relationships with suppliers, customers and other stakeholders. They receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

Community & environment

The impact of the Group's operations on community and environment is an integral part of the Group's strategic ambitions. As such, a number of projects are carried out at global and local site levels, to minimize impact to the environment. Additionally, the Group is one of the founding members of the Alliance to End Plastic Waste which has a vision to end plastic waste in the environment.

High standards of business conduct

Local and Group leadership ensures that the Company operates in an ethical and responsible way. Compliance with relevant governance standards is actively monitored to ensure that all decisions are taken in ways that promote high standards of business conduct.

The need to act fairly

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long term, taking into consideration the impact on stakeholders.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

DIRECTORS' REPORT

SECR Director's Report

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires the company to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the reporting period 1st January 2020 to 31st December 2020

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas and business travel in company-owned or grey fleet cars. The table below details the regulated SECR energy and GHG emission sources for the current reporting period. As this is the first year of reporting, no comparison to previous years has been disclosed.

FY 2020	
Energy (kWh)	
Electricity	6,231,174
Natural Gas	34,333
Transport	236
Total Energy (kWh)	6,265,743
Emissions (tCO₂e)	
Electricity – market-based methodology	0.0
(location-based methodology)	(1,452.7)
Natural Gas	6.3
Transport	0.1
Total SECR emissions*	6.4
Emissions Intensity	
tCO ₂ e per £m turnover	0.17

*Uses scope 2 market-based methodology

A. Schulman Thermoplastic Compounds Limited and the wider LyondellBasell Group are committed to reducing their environmental impact and contribution to climate change through increased energy management, awareness and changes to operational procedures. Energy intensity is regularly monitored against external targets as part of Climate Change Agreement compliance. New low-carbon products in other markets are continually being explored, which will not only contribute to the Group's goal of a 15 % reduction in CO₂e per tonne of product by 2030 against a 2015 base year, but will also boost plant efficiency and profitability in the short term.

Process equipment is routinely assessed and upgraded to more efficient technology as it becomes available. During the reporting period, smart controllers were fitted to compressed air systems and the DC motor on the main extruder line was replaced with an AC inverter and motor, reducing operating and maintenance costs. There is also a rolling replacement programme to upgrade old-generation lighting to LED equivalents throughout the site.

Data Records & Methodology

Electricity and natural gas disclosures have been calculated using energy consumption taken from supplier invoices. Invoiced energy consumption has been pro-rated to the reporting period and then converted to equivalent GHG emissions using emissions factors published by BEIS in 2020. Energy consumption of the London office has been estimated using CIBSE energy benchmarks.

GHG emissions associated with Scope 2 purchased electricity have been reported using both market-based and location-based methodologies. The market-based method considers emissions from specific energy contracts and instruments, where the location-based method applies an average emissions factor reflective of the UK national grid generation mix in 2020. Electricity is procured from 100% renewable sources, therefore the GHG emissions calculated using the market-based method have been reported as zero. GHG emissions calculated using the location-based method have been included for comparison only.

Transport disclosures have been calculated using mileage expense claim records. As vehicle information was not held against each claim, conversion factors for a standard vehicle of unknown engine size or fuel type was instead used, taking into account the average UK fleet split between petrol and diesel vehicles.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

DIRECTORS' REPORT

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 period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed; subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Disclosure of information to auditors

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

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the steps that he/she should have taken as a director to make himself/herself 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 provisions of Section 418 of the Companies Act 2006.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the board



H Kalidas

Director

DATE 24 September 2021

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.
SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, A. Schulman Thermoplastic Compounds Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- obtaining an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework;
- holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.
SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andrew Russell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
30 September 2021

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31
DECEMBER 2020

		Year ended 31 December	16 month period ended 31 December
	Note	2020 £'000	2019 £'000
Turnover	3	37,437	62,871
Cost of sales		(30,397)	(55,717)
Gross profit		7,040	7,154
Distribution costs		(1,863)	(3,089)
Administrative expenses		(1,548)	(1,560)
Operating profit before exceptional items		3,629	2,505
Cost of sales – Exceptional items		-	(291)
Distribution costs – Exceptional items		-	(196)
Administrative expenses – Exceptional items		(140)	(175)
Operating profit	4	3,489	1,843
Interest receivable and similar income	6	11	44
Interest payable and similar expenses	6	(43)	(11)
Net interest (expense) / income	6	(32)	33
Profit before taxation		3,457	1,876
Tax on profit	7	475	(314)
Profit for the financial year/period		3,932	1,562

All amounts relate to continuing operations.

The notes on pages 18 to 38 are an integral part of these financial statements.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2020

	Year ended 31 December	16 month period ended 31 December
	2020 £'000	2019 £'000
Profit for the financial year/period	3,932	1,562
Other comprehensive income:	-	-
Other comprehensive income	-	-
Total comprehensive income for the year/period	3,932	1,562

The notes on pages 18 to 38 are an integral part of these financial statements.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2020

		As at 31 December	As at 31 December
	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	2,035	1,991
		2,035	1,991
Current assets			
Inventories	9	7,722	5,403
Debtors: amounts falling due within one year	10	17,779	14,305
Debtors: amounts falling due in over one year	13	199	-
Cash at bank and in hand		-	1
		25,700	19,709
Creditors: amounts falling due within one year	11	(8,227)	(6,113)
Net current assets		17,473	13,596
Total assets less current liabilities		19,508	15,587
Non-current liabilities			
Provisions for liabilities	14	(57)	(68)
Net assets		19,451	15,519
Capital and reserves			
Called up share capital	16	4,363	4,363
Profit and loss account		15,088	11,156
Total equity		19,451	15,519

The notes on pages 18 to 38 are an integral part of these financial statements.

The financial statements on pages 14 to 38 were authorised for issue by the board of directors on
DATE 28 September 2021 and were signed on its behalf



H Kalidas

Director

A. Schulman Thermoplastic Compounds Limited

Company registration number: 01018237 England

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance as at 1 September 2018	4,363	9,594	13,957
Profit for the financial period	-	1,562	1,562
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,562	1,562
Balance as at 31 December 2019	4,363	11,156	15,519
Profit for the financial year	-	3,932	3,932
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,932	3,932
Balance as at 31 December 2020	4,363	15,088	19,451

The notes on pages 18 to 38 are an integral part of these financial statements.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies

General information

A. Schulman Thermoplastic Compounds Limited's principal activities are the manufacture and supply of Advance Polymer solution products for Basell Sales and Marketing B.V, in the Netherlands, from which BSM resells the APS products to external customers. The company is a private company limited by shares and incorporated in the United Kingdom. The registered office is shown on page 3.

Statement of compliance

The individual financial statements of A. Schulman Thermoplastic Compounds Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Summary of significant accounting policies

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

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The current period of account is the year ended 31 December 2020.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The inter-relationships with other Group companies make the Company dependent on the Group to enable it to continue as a going concern. The majority of sales are made through Basell Sales & Marketing Company B.V, a fellow Group company; this is expected to continue for the foreseeable future.

The company's business activities, together with the factors likely to affect its future development and position, are described above. Despite the economic uncertainty the company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the LyondellBasell Group's centralised treasury arrangements and therefore shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to fulfil its financial obligations. In addition, they have received a letter from the Company's ultimate parent assuring financial support to enable the Company to continue to operate as a going concern and settle its liabilities as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions.

Cash flow statement and related party disclosures

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies (continued)

Exemptions for qualifying entities under FRS 102 (continued)

Cash flow statement and related party disclosures (continued)

The company is included in the consolidated financial statements of LyondellBasell Industries N.V. which is incorporated in The Netherlands and which is the parent undertaking of the largest and smallest group in which the results of the Company are consolidated for the 12 month period ended December 2020. The consolidated financial statements of LyondellBasell Industries N.V. may be obtained from LyondellBasell Industries N.V., Delftseplein 27E, 3013 AA Rotterdam, The Netherlands and 4th Floor, One Vine Street, London, W1J 0AH. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company includes the company's cash flows in its own consolidated financial statements. The company is also exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the LyondellBasell Industries N.V. group (see note 20).

Key management personnel compensation

The company is exempt from disclosing key management personnel compensation, as required by FRS102 paragraph 33.7.

Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'Finance (expense) / income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Cost of sales'.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount received for goods supplied, net of returns, discounts and rebates allowed by the company and value added taxes. Revenue includes royalties received from A. Schulman Thermoplastic Compounds SDN BHD in Malaysia and Basell Sales and Marketing Company B.V. on a fixed percentage of sales arrangement.

The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies (continued)

Revenue recognition (continued)

An entity recognises revenue from the sale of goods when all the following conditions are satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably

Interest income

Interest income is recognised using the effective interest rate method.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plan.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet.

Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan because of past events and a reliable estimate of the obligation can be made.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated based on tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

1. Accounting Policies (continued)

Taxation (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Tangible assets

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

Land and buildings

Land and buildings include freehold and leasehold factories, retail outlets and offices. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

The company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The company on transition to FRS 102 in 2014, adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

Plant and machinery and fixtures, fittings, tools and equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated. The fixed assets have been depreciated on a straight-line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the company's business, and the rates are as follows:

Plant and machinery	2 to 25 years
Fixtures, fittings and computer equipment	- 2 to 25 years
Buildings	- 4 to 25 years

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies (continued)

Tangible assets (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction

Assets under the course of construction are depreciated when they are first ready and available for use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the weighted average cost method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity). At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the impairment charge is recognised in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation because of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

Provision is made for dilapidation costs, based on previous dilapidation valuations.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies (continued)

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

1. Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Exceptional items

Exceptional items are non-recurring events that have an impact on a company's performance but must not be misread as gains or losses in routine business operations. The company incurred exceptional items during the year ended 31 December 2020 and 16 month period ended 31 December 2019 which have been separately disclosed in the profit and loss account. Refer to Note 4 for further details.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

2 Critical accounting judgements and estimation uncertainty

We think there are no significant accounting judgements, estimates are as follows:

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property, plant and equipment, and note 1 for the useful economic lives for each class of assets.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover

A. Schulman Thermoplastic Compounds Limited principal activities are the manufacture and supply of APS products for intercompany resale. The company has a manufacturing plant in the UK and sells primarily to BSM in the Netherlands. All of the Company's turnover originates in the UK

Turnover by destination	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
United Kingdom	5,874	31,486
Rest of Europe	30,938	23,902
Rest of World	625	7,483
	37,437	62,871

Turnover by nature	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Sales of goods	36,478	61,916
Other - Royalty	959	955
	37,437	62,871

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4 Operating profit

The operating profit is stated after charging:

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Staff Costs (see note 5)	4,135	6,974
Inventory recognised as an expense	24,777	46,087
Operating lease charges		
- Land and buildings rent	350	474
- Plant and machinery	108	126
Depreciation of tangible fixed assets		
- Owned assets	338	506
Exceptional Items (see below)	140	662
Audit fees payable to the company's auditors		
Audit fees are for statutory audit	43	31

Exceptional items

The Company had exceptional items to the value of £140,000 for the year ended December 2020 (16 month period ended 31 December 2019: £662,000) in regards to redundancy package for loss of office (2019: £159,000 I.T. integration cost, £287,000 shift reduction and £216,000 redundancy package for loss of office).

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

5 Employees and directors

		Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
	Note		
Wages and salaries		3,611	6,161
Social security costs		343	560
Other pension costs	12	181	253
Staff costs		4,135	6,974

By activity		Year ended 31 December 2020 Number	16 month period ended 31 December 2019 Number
Average monthly numbers of persons employed (including directors) by the company during the year was:			
Sales and distribution		5	10
Manufacturing		99	105
Research and development		5	7
Administration		3	4
		112	126

Directors

In the current period, one director received emoluments for qualifying services provided to the Company.

The remuneration of the other directors was paid by the other entities of the group. These directors' services to this company were of a non-executive nature and their remuneration was deemed wholly attributable to services to other entities in the group. Accordingly, the below details include no remuneration in respect to them.

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Aggregate emoluments	71	47
Company contributions to defined contribution pension scheme	3	2
	74	49

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

5 Employees and directors (continued)

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Highest paid director		
Total emoluments	71	47
Company contributions to defined contribution pension scheme	3	6
	74	53

6 Net interest (expense) / income

Interest receivable and similar income

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Interest receivable from group undertakings	11	40
Interest receivable from third party undertakings	-	4
Total interest income on financial assets not measured at fair value through profit or loss	11	44
Total interest receivable and similar income	11	44

Interest payable and similar expenses

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Interest payable on inter-company cash pool	43	11
Total interest expense on financial liabilities not measured at fair value through profit or loss	43	11
Total interest payable and similar expenses	43	11

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

6 Net interest (expense) / income (continued)

Net interest income	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Total interest receivable and similar income	11	44
Total interest payable and similar expenses	(43)	(11)
Net interest (expense)/income	(32)	33

7 Tax on profit

Tax included in profit and loss	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Current tax		
UK corporation tax charge on profit of the year/period	-	316
Adjustment in respect of previous periods	(316)	-
Withholding tax suffered	54	-
Total current tax	(262)	316
Deferred tax		
Deferred tax – current year	36	(2)
Adjustment in respect of previous periods	(249)	-
Total deferred tax (note 13)	(213)	(2)
Tax (credit) / charge on profit	(475)	314

Reconciliation of tax income:

The tax assessed for the year is lower (16 month period ended 31 December 2019: lower) than the standard rate of corporation tax in the UK 19% (16 month period ended 31 December 2019: 19.00%). The differences are outlined below:

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7 Tax on profit (continued)

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Profit before taxation	3,457	1,876
Profit before taxation multiplied by the standard rate of corporation tax in the UK 19% (16 month period ended 31 December 2019: 19.00%)	657	356
Effects of:		
Adjustment in respect of previous periods	(565)	-
Non-deductible expenses	12	-
Group relief for nil consideration	(551)	-
Accelerated capital allowances and other timing differences	-	(124)
Withholding tax	54	121
Effect on deferred tax change in tax rate	(28)	-
Withholding tax credited against UK profits	(54)	-
Prior year RTR tax adjustment	-	(39)
Total tax (credit) / charge for the year/period	(475)	314

Factors affecting current and future tax charges

The Finance Act 2015 set the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Act 2016 introduced a further reduction to 17% from 1 April 2020. However, the Finance Act 2020 cancelled these reductions and set the rate of corporation tax at 19% from 1 April 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would have immaterial effect on deferred tax balances of the company.

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8 Tangible assets

	Land & Buildings £'000	Plant and machinery £'000	Assets under construction £'000	Fixtures, fittings & computer equipment £'000	Total £'000
Cost					
At 1 January 2020	913	9,415	50	61	10,439
Additions	-	165	217	-	382
Transfers	25	25	(50)	-	-
At 31 December 2020	938	9,605	217	61	10,821
Accumulated depreciation					
At 1 January 2020	(684)	(7,715)	-	(49)	(8,448)
Transfers	(44)	44	-	-	-
Charge for the year	(29)	(306)	-	(3)	(338)
At 31 December 2020	(757)	(7,977)	-	(52)	(8,786)
Net book value					
At 31 December 2020	181	1,628	217	9	2,035
At 31 December 2019	229	1,700	50	12	1,991

9 Inventories

	31 December 2020 £'000	31 December 2019 £'000
Raw materials and consumables	5,218	3,272
Finished goods and goods for resale	2,504	2,131
	7,722	5,403

The difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amount was £155,000 (31 December 2019: £Nil).

The impairment provision recognised at 31 December 2019 of £74,000 was released in the year.

Inventories recognised as an expense for the period were £24,777,000 (31 December 2019: £46,087,000).

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

10 Debtors

	31 December 2020 £'000	31 December 2019 £'000
Trade debtors	67	4,920
Amounts owed by group undertakings	17,439	9,161
Other debtors including corporation taxation receivable	112	107
Prepayments and accrued income	161	117
	17,779	14,305

Trade receivables includes Enil (31 December 2019: Enil) falling due after more than one year.

Amounts owed by the group undertakings include the cash pooling balances of £9,998,000 (2019: £8,586,000) with LYB Finance Company B.V. which acts as a Group Treasury function. The cash pooling arrangement is unsecured, bearing interest of 0.00% (2019: 0.56%) on balances held in GBP, 0.00% (2019: 1.56%) on balances held in USD and 0.00% (2019: 0.00%) on balances held in Euro, payable on demand. The remaining amounts owed by group undertakings are unsecured, interest free trade receivable balances payable on demand.

11 Creditors: amounts falling due within one year

	31 December 2020 £'000	31 December 2019 £'000
Trade creditors	4,275	4,872
Amounts owed to group undertakings	2,696	111
Corporation tax payable	-	342
Other creditors including taxation and social security	360	116
Accruals and deferred income	896	672
	8,227	6,113

Amounts owed to group undertakings include the cash pooling balance of £794,000 (2019: £nil) with LYB Finance Company B.V. which acts as a Group Treasury function. The cash pooling arrangement is unsecured, bearing interest of 1.25% (2019: 1.2596%) on balances held in GBP, 1.25% (2019: 1.25%) on balances held in USD and 1.40% (2019: 1.25%) on balances held in Euro, payable on demand.

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

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

12 Post-employment benefits

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Defined contribution scheme	181	253
Total charge in operating profit	181	253

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £181,000 (31 December 2019: £253,000). The liability at the year end for the contributions payable to the defined contribution scheme is £25,000 (31 December 2019: £30,000).

13 Deferred tax asset (liability)

	31 December 2020 £'000	31 December 2019 £'000
Difference between depreciation and capital allowances	194	-
Other timing differences	5	(15)
Deferred tax	199	(15)

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

14 Provisions for liabilities

	Deferred tax liability £'000	Dilapidations £'000	Total £'000
At 1 January 2020			
Current	15	-	15
Non- Current	-	53	53
Total provision at 31 December 2019	15	53	68
Additions in the year	-	4	4
Utilised during the year	(15)	-	(15)
At 31 December 2020	-	57	57
Current	-	-	-
Non- Current	-	57	57
Total provision at 31 December 2020	-	57	57

The dilapidation provision relates to the obligation to restore the property to its original state at the end of the lease which arises under the terms of the property leases for the company's sites.

A provision for deferred tax liability as at 31 December 2020 is recognised in relation to differences between depreciation and capital allowances and other timing differences.

15 Financial Instruments

The company has the following financial instruments:

	Note	31 December 2020 £'000	31 December 2019 £'000
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	10	67	4,920
- Amounts owed by group undertakings	10	17,439	9,161
		17,506	14,081
Financial liabilities measured at amortised cost			
- Trade creditors	11	4,275	4,872
- Amounts owed to group undertakings	11	2,696	111
- Accruals	11	896	672
		7,867	5,655

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020

16 Called up share capital

	Year ended 31 December 2020 £'000	16 month period ended 31 December 2019 £'000
Allotted and fully paid		
4,363,000 (31 December 2019: 4,363,000) ordinary shares of £1	4,363	4,363

17 Contingent assets and liabilities

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. No liability is expected to arise under this arrangement.

At 31 December 2020, the company had deferment bank guarantees in favour of HM Revenue and Customs of £175,000 (31 December 2019: £70,000).

18 Capital and other commitments

The company had the following total minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 December 2020 £'000	31 December 2019 £'000
Land and buildings		
Within one year	350	350
Within two to five years	518	868
After five years	-	-
	868	1,218
Other		
Within one year	68	79
Within two to five years	-	1
	68	80

A. SCHULMAN THERMOPLASTIC COMPOUNDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19 Related party transactions

See note 5 for disclosure of the directors' remuneration and key management compensation.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

20 Controlling parties

The immediate parent undertaking is A. Schulman Gainsborough Limited, whose registered office is Sandars Road, Gainsborough, Lincolnshire DN21 1RZ.

The ultimate parent undertaking and controlling party is LyondellBasell Industries N.V. which is the largest and the smallest group to consolidate these financial statements. The consolidated financial statements of LyondellBasell Industries N.V. may be obtained from LyondellBasell Industries N.V., Delftseplein 27E, 3013 AA Rotterdam, The Netherlands and 4th Floor, One Vine Street, London, W1J 0AH.

21 Events after the end of the reporting period

There are no post balance sheet events.