

INEOS European Holdings Limited

Annual report and financial statements

Registered number 5310700

31 December 2019



Contents

Strategic report	1
Directors' report	3
Independent auditor's report to the members of INEOS European Holdings Limited	6
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements)	12

Strategic report for the year ended 31 December 2019

The directors present their Strategic report on the Company for the year ended 31 December 2019.

Review of business and future developments

During the year, INEOS European Holdings (“the Company”) continued to provide treasury services to undertakings within the INEOS Group in line with its principal activities.

For 2020 and for future years it is the expectation the Company will continue with its principal activities.

The Company has investments in and loans with companies in a number of different European countries. The withdrawal agreement under which the United Kingdom will leave the European Union was ratified on 31 January 2020. This has started a transition period until the end of December 2020. The Company has developed plans to mitigate the impact of the end of the Brexit transition period on its activities in the European Union.

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 effect the virus will have on the global economy and the Company 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.

Results and dividends

The profit for the financial year before taxation was €40,041,000 (2018: profit of €43,662,000). The directors do not propose the payment of a dividend (2018: *€nil*).

Strategy

The Company holds various investments and operates a centralised cash pooling arrangement with its subsidiaries where the aim is to achieve minimum levels of unutilised cash to allow INEOS Group to manage its overall cash balances effectively.

Section 172(1) statement

The Company’s governance and processes are operated to ensure that all relevant matters are considered by the Board in its principal decision-making, as a means of contributing to the delivery of the Company’s long-term success.

In the performance of its duty to promote the success of the Company and fairness in decision making the Board has agreed to a number of matters. This includes listening to and considering the views of its single shareholder and ultimate controlling party as well as the Company’s other stakeholders to build trust and ensure it fully understands the potential impacts of any decisions on the environment and the communities in which it operates.

Stakeholder engagement

The Company aims to build enduring relationships with its stakeholders which may include governments, regulators, partners and communities in the countries where it operates. The Company works with its stakeholders in a honest, respectful and responsible way.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company’s directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of INEOS Group Holdings S.A. which includes the Company, are discussed in the Group’s annual report which does not form part of this report.

Strategic report for the year ended 31 December 2019 *(continued)*

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of INEOS Group Holdings S.A. which include those of the Company are discussed in the Group's annual report which does not form part of this report.

Approved and signed by order of the Board.

Y S Ali
Director
25 September 2020
Registered number 5310700

Directors' report for the year ended 31 December 2019

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

Principal activities

The Company provides treasury services to a number of other undertakings within the INEOS Group and holds investments in subsidiary and joint venture undertakings engaged in the production and sale of petrochemical products.

Results and dividends

Results and dividends are discussed in the Strategic report.

Future developments

Future developments are discussed in the Strategic report.

Post balance sheet events

Post balance sheet events are discussed in the Strategic report.

Going concern

As at 31 December 2019, the Company has net assets of €298,816,000 (2018: €290,566,000). The entity is financed through its own operations, however if needed 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.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of 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 management of the business and execution of the Company's strategy are subject to a number of risks. Interest rate exposures are managed on a group basis and are fully disclosed in the consolidated financial statements of INEOS Group Holdings S.A..

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

Y S Ali

J F Ginns

G W Leask

Directors' report for the year ended 31 December 2019 *(continued)*

Health & safety

Our facilities and operations are subject to a wide range of health, safety, security and environmental ("HSSE") laws and regulations in all of the jurisdictions in which we operate. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions, noise emissions, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the more stringent enforcement of such requirements.

Our operations are currently in material compliance with all HSSE laws, regulations and permits. We actively address compliance issues in connection with our operations and properties and we believe that we have systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on us.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic report and the Directors' 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, comprising FRS 101 "Reduced Disclosure Framework", 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 these financial statements, the directors are required to:

- 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.

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

Directors' report for the year ended 31 December 2019 *(continued)*

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditor

During the year Deloitte LLP were appointed as auditor 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 S Ali

Director

25 September 2020

Registered number 5310700

Independent auditor's report to the members of INEOS European Holdings Limited

Report on the audit of the financial statements

Our opinion

In our opinion the financial statements of INEOS European Holdings 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;
- the related notes 1 to 16.

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

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 auditor's report to the members of INEOS European Holdings 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.

Independent auditor's report to the members of INEOS European Holdings Limited (*continued*)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

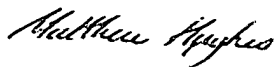
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Matthew Hughes BSc (Hons) ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

25 September 2020

Profit and Loss Account
for the year ended 31 December 2019

	<i>Note</i>	2019 €000	2018 €000
Administrative expenses		(307)	(275)
Operating loss	2	(307)	(275)
Income from other fixed asset investments		1,134	206
Interest receivable and similar income	4	50,136	51,299
Interest payable and similar expenses	5	(10,922)	(7,568)
Profit before taxation		40,041	43,662
Tax on profit	6	(31,791)	(1,916)
Profit for the financial year		8,250	41,746

All activities of the Company relate to continuing operations.

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

Balance Sheet

as at 31 December 2019

	<i>Note</i>	2019 €000	2018 €000
Fixed assets			
Investments	7	594,272	594,272
		<u>594,272</u>	<u>594,272</u>
Current assets			
Debtors (including €1,080,624,000 (2018: €1,033,048,000) due after more than one year)	8	2,371,321	1,816,002
Cash at bank and in hand		44,318	153,525
		<u>2,415,639</u>	<u>1,969,527</u>
Creditors: amounts falling due within one year	9	(2,413,166)	(2,188,648)
Net current assets/(liabilities)		<u>2,473</u>	<u>(219,121)</u>
Total assets less current liabilities		<u>596,745</u>	<u>375,151</u>
Creditors: amounts falling due after more than one year	10	(297,929)	(84,585)
Net assets		<u>298,816</u>	<u>290,566</u>
Capital and reserves			
Called up share capital	11	25	25
Profit and loss account		298,791	290,541
Total equity		<u>298,816</u>	<u>290,566</u>

These financial statements on pages 9 to 24 were approved by the board of directors on 25 September 2020 and were signed on its behalf by:

G W Leask
Director
Registered number 5310700

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

	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2018	25	248,795	248,820
Total comprehensive income for the year, comprising:			
Profit for the financial year	-	41,746	41,746
Balance at 31 December 2018	25	290,541	290,566
	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2019	25	290,541	290,566
Total comprehensive income for the year, comprising:			
Profit for the financial year	-	8,250	8,250
Balance at 31 December 2019	25	298,791	298,816

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements)

1 Accounting policies

INEOS European Holdings Limited (the “Company”) is a private limited company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

The financial statements are expressed in euros as the Company primarily generate income, incur expenditure and have the majority of their assets and liabilities denominated in euros. The exchange rate as at 31 December 2019 was €1.17055/£1 (2018: €1.10939/£1).

INEOS Group Holdings S.A. is the parent undertaking that includes the Company in its consolidated financial statements. INEOS Group Holdings S.A. is a company incorporated in Luxembourg. The consolidated financial statements of INEOS Group Holdings S.A. are prepared in accordance with International Financial Reporting Standards and can be obtained from the Company Secretary, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg.

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; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

- 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 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*;
- Certain disclosures required by IFRS 15 *Revenue from Contracts with Customers*; and
- Certain disclosures required by IFRS 16 *Leases* in respect of leases for which the Company is a lessee.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 15.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through other comprehensive income or fair value through profit and loss.

1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of INEOS Holdings Limited. The directors have received confirmation that INEOS Holdings Limited intend to support the Company for at least one year after these financial statements are signed.

1.3 Foreign currency

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

1.4 Non-derivative financial instruments

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

Trade and other debtors

Trade and other debtors are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade debtors satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss.

Trade and other creditors

Trade and other creditors are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments are stated in the balance sheet at cost less any provisions for 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 to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.5 Derivative financial instruments

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

1.6 Intra-group financial instruments

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

1.7 Impairment of financial assets

Trade and other debtors

The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade debtors and contract assets. This approach requires the Company to recognise the lifetime expected loss provision for all trade debtors taking in consideration historical as well as forward-looking information.

Financial assets which are considered low risk are not provided for impairment by the Company.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

1.8 Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation of amortisation, if no impairment loss had been recognised.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.9 Interest receivable and interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

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

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

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

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

1.11 Changes in accounting policies

Impact of new standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2019 which have had a material impact on the Company.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

2 Operating loss

Auditor's remuneration:

	2019 €000	2018 €000
Audit of these financial statements	20	18

The total in 2019 includes fees paid to Deloitte LLP for the audit of the financial statements of the Company. Auditors' remuneration for services provided during the year ended 31 December 2018 relates to amounts paid to PricewaterhouseCoopers LLP.

3 Directors and employees

The Company had no employees during the year (2018: none). None of the directors received any fees or remuneration in respect of their services as a director of the Company during the financial year (2018: none).

4 Interest receivable and similar income

	2019 €000	2018 €000
Interest income on financial assets measured at amortised cost	50,136	51,299
Total interest receivable and similar income	50,136	51,299

Interest receivable and similar income includes income from group undertakings of €49,987,000 (2018: €50,445,000).

5 Interest payable and similar expenses

	2019 €000	2018 €000
Interest expense on financial liabilities measured at amortised cost	10,771	3,054
Net foreign exchange loss	151	4,514
Total interest payable and similar expenses	10,922	7,568

Interest payable and similar expenses includes amounts payable to group undertakings of €10,771,000 (2018: €3,054,000).

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

6 Tax on profit

Recognised in the profit and loss account

	2019 €000	2018 €000
<i>UK corporation tax</i>		
Tax on profit for year	7,393	8,257
Adjustments in respect of prior periods	24,354	(6,348)
	<hr/>	<hr/>
Total	31,747	1,909
	<hr/>	<hr/>
<i>Foreign Tax</i>		
Current tax on profit for year	44	7
	<hr/>	<hr/>
Tax on profit	31,791	1,916
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2019 €000	2018 €000
Tax on profit	31,791	1,916
	<hr/>	<hr/>
Profit before taxation	40,041	43,662
Profit multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	7,608	8,296
Effect of tax rates in foreign jurisdictions	44	7
Non-deductible expenses	(215)	(39)
Adjustments in respect of prior periods	24,354	(6,348)
	<hr/>	<hr/>
Total tax charge	31,791	1,916
	<hr/>	<hr/>

The UK Corporation Tax rate was reduced from 20% to 19% with effect from 1 April 2017. In the 2020 budget it was announced that the corporation tax main rate would remain at 19% for the financial year beginning 1 April 2020 rather than reducing it to 17% from 1 April 2020 as had been announced previously. The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) *(continued)*

7 Investments

	Shares in group undertakings €000	Other €000	Total €000
Cost			
Balance at 1 January 2019 and 31 December 2019	216,614	423,685	640,299
	<hr/>	<hr/>	<hr/>
Provisions			
Balance at 1 January 2019 and 31 December 2019	(46,027)	-	(46,027)
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2018	170,587	423,685	594,272
	<hr/>	<hr/>	<hr/>
At 31 December 2019	170,587	423,685	594,272
	<hr/>	<hr/>	<hr/>

Name	Address of the registered office	Class of shares held	Ownership	
			2019	2018
INEOS 2009A Limited*	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS 2009B	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Group Life Assurance Trustee Limited*	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Management (Shanghai) Company Limited*	Unit 803, Building B, CCIG International Plaza, 333 Cao Xi North Road, Shanghai, 200030, China	Registered Capital	100%	100%
INEOS Manufacturing (Hull) Limited*	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Manufacturing Belgium N.V. **	Scheldelaan 482, B-2040 Antwerpen, Belgium	Ordinary	100%	100%
INEOS Marketing Support Limited*	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

7 Investments (continued)

Name	Address of the registered office	Class of shares held	Ownership	
			2019	2018
INEOS Nitriles (UK) Limited*	PO Box 62, Seal Sands, Middlesbrough, Cleveland, TS2 1TX	Ordinary	100%	100%
INEOS Nitriles Limited*	PO Box 62, Seal Sands, Middlesbrough, Cleveland, TS2 1TX	Ordinary	100%	100%
INEOS Nominee Limited*	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Procurement Limited*	Runcorn Site HQ, South Parade, PO Box 9, Runcorn, Cheshire, WA7 4JE	Ordinary	100%	100%
INEOS Sales Belgium S.A. **	Ransbeekstraat 310, B-1120 Needer-over-Heembeek, Belgium	Ordinary	100%	100%
INEOS Sales Italia S.r.l.*	Via Piave, 6, 87013, Rosignano, Solvay (L.I.), Italy	Ordinary	100%	100%
INEOS Sales (UK) Limited*	Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG	Ordinary	100%	100%
INEOS Services Belgium S.A. **	Ransbeekstraat 310, B-1120 Needer-over-Heembeek, Belgium	Ordinary	100%	100%
INEOS Trading (Shanghai) Company Limited*	Unit 803, Building B, CCIIG International Plaza, 333 Cao Xi North Road, Shanghai, 200030, China	Ordinary	100%	100%
INEOS Feluy SPRL	Parc Industriel de Feluy Nord, Zone C, B-7181 Feluy, Belgium	Ordinary	100%	100%
INEOS Investments (Jersey) Limited*	44 Esplanade, St Helier, Jersey, JE4 9WG	Ordinary	100%	100%
INEOS Technologies Italia S.r.l.	Via dell'Elettricità, 39, 30175, Marghera, Venezia, Italy	Ordinary	100%	100%
INEOS Manufacturing Belgium II N.V. **	Scheldelaan 482, B-2040, Antwerpen, Belgium	Ordinary	100%	100%

* Held directly by the Company

** Held directly by the Company except for 1 share held by INEOS Sales (UK) Limited.
The 100% holding in INEOS Investments (Jersey) Limited is in non-voting ordinary shares.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

8 Debtors

	2019 €000	2018 €000
Amounts owed by group undertakings	2,371,320	1,816,001
Taxation and social security	1	1
	<hr/>	<hr/>
	2,371,321	1,816,002
	<hr/>	<hr/>
Due within one year	1,290,697	782,954
Due after more than one year	1,080,624	1,033,048

During the year, the Company has not experienced a significant deterioration in the quality of debtor balances due to the current economic conditions.

9 Creditors: amounts falling due within one year

	2019 €000	2018 €000
Amounts owed to group undertakings	2,413,153	2,188,636
Accruals and deferred income	13	12
	<hr/>	<hr/>
	2,413,166	2,188,648
	<hr/>	<hr/>

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

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

10 Creditors: amounts falling due after more than one year

	2019 €000	2018 €000
Amounts owed to group undertakings	297,929	84,585

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

11 Called up share capital

	Ordinary shares 2019	
On issue at 1 January and 31 December 2019 – fully paid	2,144,111,032	
	<hr/>	
	2019 €000	2018 €000
<i>Allotted, called up and fully paid</i>		
2,144,111,032 (2018: 2,144,111,032) ordinary shares of £0.00001 each	25	25

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

As the reporting currency of the Company is the euro the share capital has been converted to euros at the effective rate of exchange ruling at the date of issuance.

Dividends

A dividend has not been paid or declared in the year (2018: *€nil*).

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

12 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.

13 Related parties

Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with subsidiaries under common ownership.

14 Controlling parties

The immediate parent undertaking is INEOS Jersey Limited, a company incorporated in Jersey.

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 undertakings to consolidate these financial statements. The consolidated financial statements of INEOS Group Holdings S.A. are prepared in accordance with International Financial Reporting Standards and can be obtained from the Company Secretary at the registered office, 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 undertakings INEOS Limited.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

15 Accounting estimates and judgements

The Company prepares its financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework', which require 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 are revised and in any future periods affected. The following areas are considered to involve a significant degree of judgement or estimation

Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical judgements, apart from those involving estimations, which are presented separately below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying value of investments

IFRSs require management to test for impairment of an investments if events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment test requires an assessment as to whether the carrying value of assets can be supported by its recoverable amount. Management calculates the recoverable amount based on the net present value of the future cash flows derived from the relevant assets, using cash flow projections which have been discounted at an appropriate discount rate.

In calculating the net present value of the future cash flows, certain assumptions and estimates are required to be made in respect of highly uncertain matters, including management's expectations of:

- Growth rates of various revenue streams;
- Long term growth rates;
- Future margins;
- The selection of an appropriately risk adjusted discount rate; and
- The determination of terminal values.

Changing the assumptions selected by management, in particular the discount rate used in the present value calculation, could significantly affect the Company's impairment evaluation and results.

For the purpose of impairment testing (when required), to assess whether any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal. Actual outcomes could vary significantly from such estimates of discounted future cash flows. Factors such as changes in the planned use of buildings, plant or equipment, or closure of facilities, the presence or absence of competition, lower than expected asset utilisation from events such as unplanned outages, strikes and hurricanes, technical obsolescence or lower than anticipated sales of products with capitalised intellectual property rights could result in shortened useful lives or impairment. Changes in the discount rates used could also lead to impairments.

Notes to the financial statements for the year ended 31 December 2019 (forming part of the financial statements) (continued)

16 Subsequent events

United Kingdom withdrawal from the European Union ("Brexit")

The withdrawal agreement under which the United Kingdom will leave the European Union was ratified on 31 January 2020. This has started a transition period until the end of December 2020. The Company has developed plans to mitigate the impact of the end of the Brexit transition period on its activities in the European Union.

COVID-19 coronavirus

The Company is closely monitoring the evolution of the COVID-19 pandemic and is following the World Health Organisation travel advice. With regards to business impact, the effect the virus will have on the global economy and the chemicals industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on operations. Whilst there is significant uncertainty due to the COVID-19 crisis, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis as given the nature of the Company the impact is expected to be limited. See Strategic report for further details.