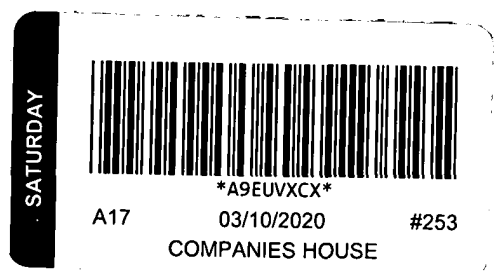


INEOS Finance PLC

Annual report and financial statements

Registered number 07084307

31 December 2019



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Strategic report

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

Business overview

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

Business review

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

The results of the Company are set out in the profit and loss account on page 11 which shows a result for the financial year ended 31 December 2019 of €nil (2018: €nil). The directors do not recommend the payment of a final dividend (2018: €nil).

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

In April 2019, the Company issued €770 million of Senior Secured Notes due 2026. The proceeds from the new Notes were used to redeem in full the Senior Secured Notes due 2023.

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

Objectives and strategy

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

Principal risks and uncertainties

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

Key performance indicators

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

Approved and signed by order of the board



Y S Ali
Company Secretary
30 September 2020

Directors' report

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

Directors

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

J F Ginns
G W Leask

Financial risk management

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

Future developments

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

Dividends

The directors do not recommend the payment of an interim or final dividend (2018: €nil).

Subsequent event

The Company is closely monitoring the evolution of the COVID-19 coronavirus and is following the World Health Organisation and local governments' advice. With regards to business impact, the COVID 19 outbreak is expected to reduce activity for the coming financial year; however, the effect the virus will have on the global economy is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on its operations. To date, there is no significant impact on the Company.

Going concern

The Company meets its day-to-day working capital requirements through its intercompany loan and external facilities. Having considered the financial position of the INEOS Holdings Limited, the directors are satisfied that it has sufficient resources to provide financial support should it be required. Having reached this conclusion, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors' responsibilities statement

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

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

Directors' report (continued)

Directors' responsibilities statement (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm that as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Independent auditors

During the year Deloitte LLP were appointed as auditors and have expressed their willingness to continue in office as auditor pursuant to Section 485-488 of the Companies Act 2006. Appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved and signed by order of the board



Y S Ali
Company Secretary
INEOS Finance PLC
Hawkslease
Chapel Lane
Lyndhurst
SO43 7FG
30 September 2020

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

Report on the audit of the financial statements

1. Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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

2. Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was in relation to the completeness and accuracy of external borrowings
Materiality	The materiality that we used in the current year was €35 million, which was determined on the basis of 1% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes	In current year, we identified a key audit matter in relation the completeness and accuracy of external borrowings in consideration of the magnitude of the balance.

4. Conclusions relating to going concern

<p>We are required by ISAs (UK) to report in respect of the following matters where:</p> <ul style="list-style-type: none"> • 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. 	<p>We have nothing to report in respect of these matters.</p>
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5. Key audit matters

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

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

5.1 Completeness and accuracy of external borrowings

Key audit matter description	<p>The company has external borrowings of £3,479.8 million as at 31 December 2019, valued at amortised cost as disclosed in note 10 to the financial statements. These borrowings comprise of Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Notes are listed on the Euro MTF - Luxembourg Stock Exchange. The external borrowings are material to the company and account for 99.8% of total liabilities.</p> <p>The complete and accurate recording of the external borrowings including the treatment of related debt issuing cost is key to our audit, and is underpinned by the application of appropriate accounting standards, applied consistently to all external debt instruments.</p> <p>Further details are included within note 1 and note 10 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained all loan agreements in relation to the Senior Secured Term Loans and received confirmation of the completeness and accuracy of these borrowings directly from the lenders. For the Senior Secured Notes, we agreed the original EUR bond issue amount to the Euro MTF - Luxembourg Stock Exchange.</p> <p>We considered the treatment of issuing costs, and evaluated the completeness and accuracy of such issuing costs against original agreements and invoices.</p>
Key observations	<p>Based on the work performed we concluded that the completeness and accuracy of external borrowings included in the financial statements is appropriate.</p>

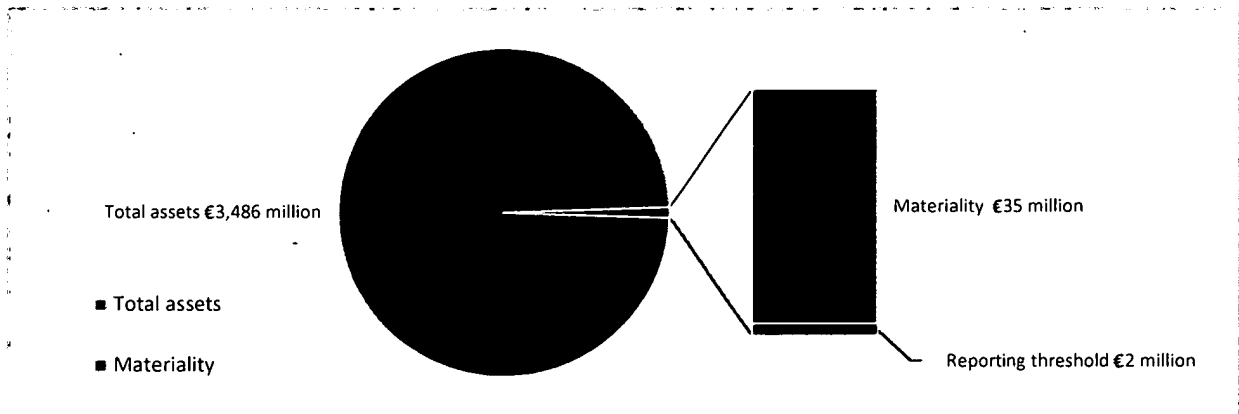
6. Our application of materiality

6.1. Materiality

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

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

Materiality	€35 million
Basis for determining materiality	1% of total assets
Rationale for the benchmark applied	The Company borrows funds externally and lends those funds on to fellow group undertakings, with no other significant activities. Total assets therefore best represent the scale and relevance of the Company.



6.2. Performance materiality

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

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

6.3. Error reporting threshold

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

7. An overview of the scope of our audit

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

8. 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.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

11. 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.

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

12.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

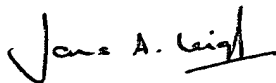
12.2. Directors' remuneration

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

We have nothing to report in respect of this matter.

13. 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.



James Leigh, FCA, Senior statutory auditor
For and on behalf of Deloitte LLP
Statutory Auditors
London, United Kingdom
30 September 2020

Profit and Loss Account
 for the year ended 31 December 2019

	<i>Note</i>	2019 €'m	2018 €'m
Interest receivable and similar income, before exceptional income	4	91.3	94.5
Exceptional interest receivable and similar income	4	7.7	-
Total interest receivable and similar income	4	99.0	94.5
Interest payable and similar expenses, before exceptional costs	5	(91.3)	(94.5)
Exceptional interest payable and similar expenses	5	(7.7)	-
Total interest payable and similar expenses	5	(99.0)	(94.5)
Result before taxation		-	-
Tax on result	6	-	-
Result for the financial year		-	-

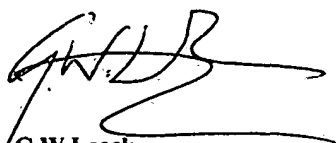
All activities of the Company relate to continuing operations.

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

Balance Sheet
At 31 December 2019

	Note	2019 €'m	2019 €'m	2018 €'m	2018 €'m
Current assets					
Debtors: amounts falling due within one year	7	26.9		27.5	
Debtors: amounts falling due after more than one year	7	3,459.2		3,338.8	
			<u>3,486.1</u>	<u>3,366.3</u>	
Creditors: amounts falling due within one year	8	(26.8)		(27.4)	
				<u>(27.4)</u>	
Net current assets			3,459.3		3,338.9
Creditors: amounts falling due after more than one year	9	(3,459.2)		(3,338.8)	
			<u>(3,459.2)</u>	<u>(3,338.8)</u>	
Net assets			0.1		0.1
Capital and reserves					
Called up share capital	11		0.1		0.1
Profit and loss account			-		-
			<u>0.1</u>		<u>0.1</u>
Total shareholders' funds			0.1		0.1

The financial statements on pages 11 to 23 were approved by the Board of Directors on 30 September 2020 and signed on its behalf by:



G W Leask
Director

Company registered number: 07084307

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

	Called up share capital €'m	Profit and loss account €'m	Total shareholders' funds €'m
Balance at 1 January 2018	0.1	-	0.1
Total comprehensive income for the year			
Result for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	0.1	-	0.1
	<hr/>	<hr/>	<hr/>

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

Notes

(forming part of the financial statements)

1 Accounting policies

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

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

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

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

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

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

Impact of New standards and interpretations

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

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

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

1 Accounting policies (continued)

1.3 Foreign currency

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

1.4 Non-derivative financial instruments

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

Trade and other debtors

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

Trade and other creditors

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

Interest-bearing borrowings

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

1.5 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.

1.6 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

• *Trade and other receivables*

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

• *Investments in debt and equity securities*

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

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

1 Accounting policies (continued)

Non-financial assets

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

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

1.7 Provisions

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

1.8 Taxation

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

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

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

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

1.9 Interest receivable and Interest payable

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

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

2 Auditors' remuneration

Fees receivable by the Company's auditors and their associates in respect of services to the Company and their associates were €3,000 (2018: €3,000). This cost has been borne by INEOS Holdings Limited.

3 Staff costs and Directors' remuneration

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

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

4 Interest receivable and similar income

	2019 €'m	2018 €'m
Interest receivable from group undertakings	91.3	94.5
Exceptional interest receivable and similar income	7.7	-
	99.9	94.5

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

5 Interest payable and similar expenses

	2019 €'m	2018 €'m
Interest expense on Senior Secured Notes and Term Loans	91.3	94.5
Exceptional interest payable and similar expenses	7.7	-
	99.9	94.5

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

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

6 Tax on result

There is no tax charge recognised for the financial year (2018: € nil). This is equal (2018: equal) to the standard rate of corporation tax in the UK of 19 % (2018: 19%).

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

7 Debtors

	2019	2018
	€'m	€'m
Amounts owed by group undertakings falling due within one year	26.9	27.5
	<u> </u>	<u> </u>
Amounts owed by group undertakings falling due in more than one year	3,459.2	3,338.8
	<u> </u>	<u> </u>

Amounts owed by group undertakings are unsecured funding loans, carry interest at commercial rates and are directly related to the Senior Secured Notes, Term Loans and Schuldschein Loan issued by the Company as disclosed in note 10. The amounts owned by group undertakings at the end of the reporting period were not past their due date and are deemed collectible. At 31 December 2018 and 2019 there were no significant amounts owed by group undertakings not past due that were subsequently impaired. There were no allowances made against amounts due from other receivables during the years ended 31 December 2019 and 2018.

8 Creditors: amounts falling due within one year

	2019	2018
	€'m	€'m
Senior Secured Term Loan (due 2024) (note 10)	20.6	20.6
Accruals	6.2	6.8
	<u> </u>	<u> </u>
	26.8	27.4
	<u> </u>	<u> </u>

9 Creditors: amounts falling due after more than one year

	2019	2018
	€'m	€'m
Senior Secured Term Loan due 2024 (note 10)	1,998.2	2,018.8
Senior Secured Notes due 2023 (note 10)	-	770.0
Senior Secured Notes due 2025 (note 10)	550.0	550.0
Senior Secured Notes due 2026 (note 10)	770.0	-
Schuldschein Loan (note 10)	141.0	-
	<u> </u>	<u> </u>
	3,459.2	3,338.8
	<u> </u>	<u> </u>

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

10 Interest-bearing loans and borrowings

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

	2019 €'m	2018 €'m
Creditors: amounts falling due after more than one year		
Senior Secured Term Loan due 2024	1,998.2	2,018.8
Senior Secured Notes due 2023	-	770.0
Senior Secured Notes due 2025	550.0	550.0
Senior Secured Notes due 2026	770.0	-
Schuldschein Loan	141.0	-
	3,459.2	3,338.8
	3,459.2	3,338.8
Creditors: amounts falling due within less than one year		
Senior Secured Term Loan due 2024	20.6	20.6
	20.6	20.6
	20.6	20.6

Senior Secured Term Loans due 2024

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

The Senior Secured Term Loan outstanding at December 31, 2019 were €2,018.8 million (2018: €2,039.4 million) of which €20.6 million (2018: €20.6 million) is due within one year.

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

The Term Loans bear interest at a rate per annum to EURIBOR (subject to a floor of 0.5% per annum) plus the Applicable Margin. As at December 31, 2019 the Applicable Margin for the Term Loan was 2%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due 2025, the Senior Secured Notes due 2026 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024 (see Note 12). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

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

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

10 Interest-bearing loans and borrowings (continued)

Senior Secured Notes due 2023

In April 2019, the Company redeemed in full the Senior Secured Notes due 2023 with the proceeds from the issuance of the Senior Secured Notes due 2026, along with payment of early prepayment premium of €7.7 million. Before redemption the Senior Secured Notes due 2023 were listed on the Euro MTF - Luxembourg Stock Exchange. The Senior Secured Notes due 2023 bore interest at 4.0% per annum, payable semi-annually in arrears on May 1 and November 1 of each year.

Senior Secured Notes due 2025

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

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

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

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

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2026 and the Schuldschein Loan and are structurally senior to the INEOS Group Holdings S.A. Senior Notes due 2024 (see Note 12). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

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

Senior Secured Notes due 2026

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

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

10 Interest-bearing loans and borrowings (continued)

Senior Secured Notes due 2026 (continued)

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

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

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

The Senior Secured Notes due 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the INEOS Group Holdings S.A. Senior Notes due 2024 (see Note 12). The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

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

Schuldschein Loan

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

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

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

11 Called up share capital

	2019 €'m	2018 €'m
Allotted, called up and fully paid		
50,000 (2018: 50,000) Ordinary shares of £1 each	0.1	0.1
	=====	=====
Shares classified in shareholders' funds	0.1	0.1
	=====	=====

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

11 Called up share capital (continued)

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

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) of which €2,018.8 million (2018: €2,039.4 million) is issued by the company and €1,452.1 million (2018: €1,437.9 million) is issued by INEOS US Finance LLC. The Company is a guarantor under the Senior Secured Term Loans agreement. These obligations are secured by fixed and floating charges over the assets of the Company.

The Company is party to the Senior Secured Notes due 2025 Indenture dated 03 November 2017 and the Senior Secured Notes due 2026 Indenture dated 24 April 2019. 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 INEOS Group Holdings S.A. Senior Notes due 2024 Indenture dated 9 August 2016. The total outstanding indebtedness of INEOS Group Holdings S.A. under the Senior Notes at 31 December 2019 was €1,096.3 million (2018: €1,087.3 million), issued by the Company's parent company. The Company is a guarantor under the Senior Notes Indentures. These guarantees are on an unsecured senior subordinated basis.

13 Controlling parties

As at 31 December 2019 the immediate parent undertaking was INEOS Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2019 was INEOS Limited, a company incorporated in Isle of Man. INEOS Group Holdings S.A. is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statements of INEOS Group Holdings S.A. can be obtained from the Company Secretary at their registered address, 58, rue Charles Martel, Luxembourg, L-2134, Luxembourg.

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

14 Accounting estimates and judgements

The Company prepares its financial statements in accordance with FRS101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.

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

15 Subsequent Events

The Company is closely monitoring the evolution of the COVID-19 coronavirus and is following the World Health Organisation and local governments' advice. With regards to business impact, the COVID 19 outbreak is expected to reduce activity for the coming financial year; however, the effect the virus will have on the global economy is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring any potential effects on its operations. To date, there is no significant impact on the Company.