

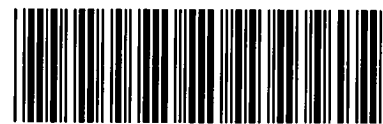
# Tour Racing Limited

Annual report and financial statements

Registered number 04078205

31 December 2020

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## Strategic Report

The directors present their report and financial statements of Tour Racing Limited (“the Company”) for the year ended 31 December 2020. The directors in preparing this strategic report have complied with s414(c) of the Companies Act 2006.

### Review and future developments

Tour Racing Limited promotes a UK based professional cycling team, which was set up in 2010 to compete in the Union Cycliste Internationale’s (UCI) World Tour. The Company is a wholly owned subsidiary of INEOS Industries Holdings Limited following its acquisition from Sky UK Limited and 21<sup>st</sup> Century Fox Europe, Inc in 2019. During the year, the name of the professional cycling team changed from Team INEOS to INEOS Grenadiers, strengthening ties with the consumer brand of INEOS Automotive Limited, another group company.

The 2020 season was significantly disrupted as a result of the global Covid-19 pandemic, forcing the rescheduling of many races originally due to be held in March - June of this year. Despite this, the Team won the Giro d’Italia for the second time in its history, led by British rider Tao Geoghegan Hart, and Filippo Ganna won the Individual Time Trial at the World Championships held in Imola.

Heading into 2021, the Team continues to navigate the Covid-19 travel restrictions. However, the stringent protocols put in place by all stakeholders in 2020 means the majority of the cycling season is set to continue as scheduled.

With the UK having left the EU on 31 December 2020, the Team is closely monitoring the post-Brexit regulations. Whilst UK based, the Team has a strong operational presence across Europe and has therefore experienced minimal impact to date.

### Financial risk management

The Company is primarily funded through a sponsorship agreement with its shareholders and therefore has no direct exposure to price, credit, liquidity, interest rate or debt market risk.

### Operational risk

The Company’s exposure to operational risks such as reputation, injuries to its riders, and consequent inability to meet the performance criteria is mitigated through: the existence and regular review of medical protocols agreed by all medical staff; maintaining a team of 27-31 riders to ensure there is always a sufficient number of fit riders to compete and meet the minimum performance criteria; rider contracts limiting participation in activities that may endanger fitness or ability to compete; and rider contracts limiting the period over which fees will continue to be paid to riders who are unable to compete. There are currently no further risks that the Company considers will have an operational impact.

### Subsequent events

The Company has no subsequent events to report.

Approved by and signed on behalf of the board



**A J Tominey**  
Director  
30 June 2021  
Registered number 04078205

## **Directors' Report**

Under the section 414C(11) of the Act, the Directors may include in the strategic report such of the matters otherwise required by regulations made under section 416(4) to be disclosed in the Directors' report as the Directors consider are of strategic importance to the company. Disclosures required by s416(4) that included in the strategic report in this way are:

- future developments;
- financial risk management; and
- subsequent events.

The Directors do not recommend the payment of a dividend in the current year (2019: €nil).

### **Going concern basis**

The directors have received confirmation that INEOS Industries 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.

### **Director**

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

J F Ginns

G W Leask

A J Tominey

F A C Millar (resigned 5 Oct 2020)

### **Statement of directors' responsibilities**

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 these financial statements, the directors are required to:

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

## **Directors' Report** *(continued)*

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.

### **Statement of disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

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

### **Independent auditors**

During the year Deloitte LLP were re-appointed as auditors of the Company.

Approved by and signed on behalf of the board



**A J Tominey**  
**Director**  
**30 June 2021**  
Registered number 04078205

## **Independent auditor's report to the members of Tour Racing Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Tour Racing Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and 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", the Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 statement of accounting policies; and
- the related notes 1 to 14.

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".

#### **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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Independent auditor's report to the members of Tour Racing Limited (continued)**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal legal counsel about their own identification and assessment of the risks of irregularities.

## **Independent auditor's report to the members of Tour Racing Limited (continued)**

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included the Union Cycliste Internationale ("UCI") governing body.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it is described below:

- We identified a significant risk due to fraud in the completeness of "Value in Kind (ViK)" revenue:

To address this risk we have:

- Assessed the design and implementation of the control to mitigate this risk.
- Reviewed contracts held by Tour Racing Limited for goods/services that will be provided and represent ViK revenue and ensured these have been recorded in the revenue account.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **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



## **Independent auditor's report to the members of Tour Racing Limited (continued)**

- 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.



Suzanne Gallagher FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, UK

30 June 2021

**Profit and Loss Account**  
*for the year ended 31 December 2020*

	<i>Note</i>	<b>2020</b> <b>€000</b>	<b>2019</b> <b>€000</b>
Revenue	2	50,107	50,785
Operating expenses		(49,966)	(50,510)
<b>Operating profit</b>	3	<b>141</b>	<b>275</b>
Finance costs	4	(132)	(245)
<b>Profit before taxation</b>		<b>9</b>	<b>30</b>
Taxation	6	(9)	(30)
<b>Result for the financial year</b>		<b>-</b>	<b>-</b>

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 2020*

	<i>Note</i>	<b>2020</b>	<b>2019</b>
		<b>€000</b>	<b>€000</b>
<b>Fixed assets</b>			
Tangible assets	7	712	49
		<hr/>	<hr/>
		712	49
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	8	2,252	3,689
Cash at bank and in hand		365	3,546
		<hr/>	<hr/>
		2,617	7,235
		<hr/>	<hr/>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(3,325)	(7,284)
<b>Non - Current liabilities</b>			
Lease liability long term		(4)	-
		<hr/>	<hr/>
<b>Net assets</b>			
		-	-
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		-	-
		<hr/>	<hr/>
<b>Total shareholders' funds</b>			
		-	-
		<hr/> <hr/>	<hr/> <hr/>

The financial statements of Tour Racing Limited were approved by the board of directors on 30 June 2021 and were signed on its behalf by:



**A J Tominey**  
*Director*

Company registered number: 04078205

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

	Called up Share capital €000	Profit and loss account €000	Total shareholders' funds €000
At 1 January 2019	-	-	-
<b>Total comprehensive income for the year, comprising</b>			
Result for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 January 2020	-	-	-
<b>Total comprehensive income for the year, comprising</b>			
Results for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2020</b>	-	-	-
	<hr/>	<hr/>	<hr/>

## **Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements)**

### **1 Accounting policies**

Tour Racing Limited is a private limited company limited by shares incorporated and domiciled in the United Kingdom. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG.

INEOS Industries Limited is the parent undertaking that includes the Company in its consolidated financial statements. INEOS Industries Limited is a company incorporated in the UK. The consolidated financial statements of INEOS Industries Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC.

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, tangible fixed assets and intangible assets;
- 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; and
- Disclosures in respect of financial instruments.

Where relevant, equivalent disclosures have been given in the group financial statements of INEOS Industries Limited.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going concern**

The directors believe that preparing the financial statements on going concern basis is appropriate due to continued financial support of INEOS Industries Limited. The directors have received confirmation that INEOS Industries Limited will 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.

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) *(continued)*

### 1 Accounting policies *(continued)*

#### 1.4 Change in accounting policies

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on financial statements.

#### 1.5 Revenue

Revenue, which excludes value added tax, represents the inflow of economic benefit from the Company's sponsorship agreements.

The amount of sponsorship revenue the Company recognises in any one calendar year in respect to its agreements with INEOS Industries Holdings Limited is limited to the recoverable expenses of the Company in that year, net of any other income, including any value in kind sponsorship received.

Value in kind is recognised based on management's judgement that all value in kind, as detailed within the sponsorship agreements, will be fully utilised within the terms of agreements.

The fair value of the respective value in kind is determined as the price the Company would have paid for the comparable goods and services, net of VAT.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception.

#### 1.7 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, 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 creditors are initially at fair value, are subsequently reduced for discounts given by suppliers and are subsequently measured at amortised costs.

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) *(continued)*

### 1 Accounting policies *(continued)*

#### 1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

- Motor vehicles 3-4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### 1.9 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.

#### 1.10 Change of functional and presentational currency

The functional and presentational currency of the Company changed from pounds sterling to euros in the year ended 31 December 2019 to better align with the structure, reporting and funding of the new owners INEOS Industries Holdings Limited. Both changes were effective from 1 July 2019 and in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

All financial information presented in euros have been rounded to nearest €1,000.

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) (continued)

### 1 Accounting policies (continued)

#### 1.11 Impairment of non-financial assets excluding inventories and deferred tax assets

The carrying amounts of the Company's non-financial assets 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 or amortisation, if no impairment loss had been recognised.

#### 1.12 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.



## **Notes to the financial statements for the year ended 31 December 2020** **(forming part of the financial statements) (continued)**

### **1 Accounting policies (continued)**

#### **1.13 Leases**

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. These liabilities are measured at the present value of the remaining lease payments, discounted using the rate implicit in the lease or if that is not available the lessee's incremental borrowing rate.

As at 31 December 2019 no leases were identified. In the year ended 31 December 2020 the company entered into the vehicle and property lease agreements that met the definition under IFRS 16. As such the Company's accounting policies in respect of IFRS 16 Leases are set out below:

The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 2.51%.

#### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment

#### **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the year on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Company also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000, with the exception of vehicles. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Notes to the financial statements for the year ended 31 December 2020**  
**(forming part of the financial statements) (continued)**

**2 Revenue**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Sponsorship revenue	46,374	47,638
Value in kind	3,733	3,147
	<hr/>	<hr/>
Total revenue	<b>50,107</b>	<b>50,785</b>
	<hr/> <hr/>	<hr/> <hr/>

**3 Operating profit**

*Operating profit is stated after charging:*

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Depreciation of owned tangible fixed assets	31	51
Depreciation of right-of-use tangible fixed assets	505	-
Loss on disposal of fixed assets	-	11
	<hr/>	<hr/>
	<b>536</b>	<b>62</b>
	<hr/> <hr/>	<hr/> <hr/>

**Auditors remunerations**

Amounts paid to the auditors for audit services of €48,000 (2019: €50,000) were paid. No amounts for other services have been paid to the auditor (2019: nil).

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) *(continued)*

### 4 Finance costs

	2020 €000	2019 €000
Net foreign exchange expense	118	245
Interest on lease liability	14	-
	132	245
	132	245

### 5 Employee benefits and directors emoluments

	2020 €000	2019 €000
Wages and salaries	3,696	3,530
Social security	492	501
Expenses related to defined contribution pension plans	190	202
	4,378	4,233
	4,378	4,233

The average monthly number of full-time equivalent persons employed by the Company during the year was 39 (2019: 43).

<i>Directors' remuneration</i>	2020 €000	2019 €000
Emoluments	398	421
Company contribution to defined contribution pension scheme	10	14
Compensation for loss of office	-	35
	408	470
	408	470

<i>Remuneration of the highest paid director:</i>	2020 €000	2019 €000
Emoluments	276	292
Company contribution to defined contribution pension scheme	3	14
	279	306
	279	306

The number of directors who are member of a defined contribution pension scheme is 1 (2019:1).

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) (continued)

### 6 Taxation

#### Recognised in the profit and loss account

	2020 €000	2019 €000
<i>UK corporation tax</i>		
Current year UK tax	6	6
Current year overseas tax	11	1
Adjustments in respect of prior periods	(8)	11
<b>Total current tax</b>	<b>9</b>	<b>18</b>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(1)	12
Adjustments in respect of prior periods	1	-
<b>Total deferred tax</b>	<b>-</b>	<b>12</b>

#### Reconciliation of effective tax rate

	2020 €000	2019 €000
Profit before taxation	9	30
Profit before taxation multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	2	6
Non-deductible expenses	3	12
Overseas tax	11	1
Adjustment in respect of prior periods	(7)	11
Change in tax rate	-	-
<b>Total tax charge</b>	<b>9</b>	<b>30</b>

The UK Corporation tax rate was reduced from 20% to 19% with effect from 1 April 2017 and the rate was expected to further reduce to 17% from 1 April 2020. However, 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. Deferred tax assets have therefore been recognised at 19%.

In the 2021 budget it was announced that the corporation tax main rate would rise to 25% from the financial year beginning 1 April 2023. This increase in rate received royal assent on 10 June 2021, after the balance sheet date. Deferred tax assets are expected to increase in line with the increase in tax rate in subsequent financial statements.

The charge to corporation tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021. Taxation for overseas jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) (continued)

### 7 Tangible assets

	Plant and equipment €'000	Right-of-use assets €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2020	2,485	-	2,485
Exchange rate movements	(34)	-	(34)
Additions	-	1,201	1,201
<b>Balance at 31 December 2020</b>	<b>2,451</b>	<b>1,201</b>	<b>3,652</b>
<b>Accumulated depreciation</b>			
Balance at 1 January 2020	(2,436)	-	(2,436)
Exchange rate movements	32	-	32
Depreciation charge for the year	(31)	(505)	(536)
<b>Balance at 30 December 2020</b>	<b>(2,435)</b>	<b>(505)</b>	<b>(2,940)</b>
<b>Net book value</b>			
At 31 December 2019	49	-	49
<b>At 31 December 2020</b>	<b>16</b>	<b>696</b>	<b>712</b>

#### Right-of-use assets

The Company leases several assets including vehicles and properties. The average lease term is 1.4 years (2019: nil). The total cash outflow for leases amount to €562,000 (2019: nil).

### 8 Debtors

	2020 €000	2019 €000
Trade debtors	461	670
Amounts owed by group undertakings	192	162
Prepayments and accrued income	1,469	2,727
Deferred tax asset	130	130
	<b>2,252</b>	<b>3,689</b>
Due within one year	<b>2,252</b>	<b>3,689</b>

The deferred tax asset relates to accelerated capital allowances.

All amounts owed by group undertakings are repayable on demand, unsecured and interest free.

## Notes to the financial statements for the year ended 31 December 2020 (forming part of the financial statements) (continued)

### 9 Creditors: amounts falling due within one year

	2020 €000	2019 €000
Trade creditors	637	979
Accruals	730	6,293
Deferred income	1,277	-
Taxation and social security	15	12
Lease liabilities short term	666	-
	3,325	7,284
	3,325	7,284

### 10 Share capital

	2020 €000
<b>Authorised</b> 1,000,000 (2019: 1,000,000) ordinary shares of £1 each	1,000
<b>Allotted, called-up and fully paid</b> 100 (2019: 100) ordinary shares of £1 each	-
	-

A dividend has not been declared.

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

### 11 Related party

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 FRS 101 not to disclose transactions with fellow subsidiaries under common ownership.

### 12 Controlling parties

The Company was previously a wholly owned subsidiary of Sky UK Limited and 21st Century Fox Europe Inc, before being purchased by INEOS Industries Holdings Limited on 29 April 2019. The immediate parent undertaking at 31 December 2020 was INEOS Industries Holdings Limited, a company incorporated in the UK.

The ultimate parent company at 31 December 2020 and at the date of signing the financial statements was INEOS Limited, a company incorporated in the Isle of Man.

INEOS Industries Limited is the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statement of INEOS Industries Limited can be obtained from the Company Secretary, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

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.

**Notes to the financial statements for the year ended 31 December 2020**  
**(forming part of the financial statements) (continued)**

**13 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 year in which the estimates change and in any future years. There is no area within the financial statements that involve a significant degree of judgement or estimation.

**14 Subsequent events**

The Company has no subsequent events to report.