Company registration number

674417

Glencore Capital Finance Designated Activity Company

REPORT AND
FINANCIAL STATEMENTS

FOR THE PERIOD FROM 22 JULY 2020
(DATE OF INCORPORATION) TO 31 DECEMBER 2020.

Table of contents

Directors and other information....3
Directors' report....4
Independent auditor's report....8
Financial statements....13
Notes to the financial statements....16

Directors and other information

Directors

Ann Nash (UK)
Henry Ford Nysschens (Netherlands)
Ian James Wall (UK)
Timothy John Scott (UK)
Warren Michael Blount (UK)

Company Secretary

Nicholas James Reid

Registered office

Unit 3100, Lake Drive
Citywest Business Campus
Dublin 24,
Ireland

Auditor

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2

Company registration number

674417

Directors' report

The Directors present their first audited report and financial statements of Glencore Capital Finance DAC (the "Company") for the period ending 31 December 2020.

Principal activity, business review and future developments

The Company was incorporated as a designated activity company in Ireland on 22 July 2020 and is tax resident in the United Kingdom. The Company is a wholly owned subsidiary of Glencore Finance (Europe) Ltd and is ultimately wholly owned by Glencore plc.

The Company's primary objective is to raise funding in capital markets and to lend the proceeds on to other group entities. During the period, the Company issued two bonds totalling USD 1 416 million comprising EUR 950 million bond maturing in March 2028 and CHF 225 million maturing in March 2027 (Refer Note 11 of the financial statements).

The Directors do not envisage any change in the Company's activities in the foreseeable future.

The Company incurred a loss of USD 57k after netting of interest income from group entity against interest due on the outstanding bond liability. The net current assets amounted to USD 1 847k. The non-current asset in the form of receivable from a group entity amounted to USD 1 414 million matching the non current liability of USD 1 416 million due to outstanding bond liability as mentioned above.

Dividends

No amount of interim dividend was paid in the period and the Directors do not recommend any amount of final dividend.

Going concern

The Company is expected to continue its activities as a financing entity for the Group entities and is able to generate sufficient interest income from receivables from Group entities to meet its liabilities as they fall due.

Glencore plc together with other Group entities has unconditionally and irrevocably guaranteed the Company's external bond liabilities. Based on the above, the Directors believe they have a reasonable basis to conclude that the Company will be able to meet its liabilities as they fall due for at least the next 12 months. Accordingly, it is appropriate for the Company to adopt the going concern basis in preparing these financial statements.

Key perfomarance indicator

As noted above, the Company lends the proceeds from bond issuances to other group entities and therefore has interest income from such intercompany receivables matching the interest expenses due on the outstanding bond liability.

Principal risks and uncertainties

The Board of Directors is responsible for approving risk management principles and policies, and ensuring that the Company's management maintains an effective system of internal controls. They are responsible for the management of risk within the framework of risk management principles and policies approved by the Board.

The Company manages its foreign exchange and interest rate risks by matching assets and liabilities. The terms of the intercompany loans match the bond liability in terms of currency, interest rate and settlement.

Directors

The Directors and Secretary who hold office as 31 December 2020 are shown on page 3.

Events after the reporting period

The Company issued two EUR bonds in March 2021 and the details are as outlined in Note 13 to the financial statements.

Political donations

There have been no political donations during the financial period ending 31 December 2020.

Audit Committeee

As stated above, the primary objective of the Company is to raise funding in the capital markets and to lend the proceeds on to other group entities. Glencore plc together with other group entities has unconditionally and irrevocably guaranteed the Company's external bond liabilities. Given that the process of operational and risk management of the Company is managed at a group level, the Board of Directors have concluded that there is currently no need for the Company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal controls and risk management processes of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Chapter 16, Section 1551 paragraph 11 c of the Companies Act 2014. Further, as the Company does not meet the threshold as set out in Section 167 of the Companies Act 2014, the Company is not required to establish an audit committee.

Auditor

The auditor, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014. The date of appointment of the auditor was 22 July 2020.

Statement on relevant audit information

The Directors have each confirmed that:

- As far as the Director is aware, there is no relevant audit information that the auditor is unaware; and
- the Director has taken all the steps that the Director ought to have taken in that capacity in order to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of such information.

Directors' compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations in accordance with Section 225 of the Companies Act 2014 and confirm that they have put in place such controls as relevant for this purpose.

The Directors further confirm they have:

- set up a compliance policy setting out the Company's policies in order to ensure compliance with its relevant obligations
- put in place appropriate measures and controls designed to secure compliance with these obligations
- conducted and concluded a review on these measures and controls during the financial period ending 31 December 2020.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014. Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework issued by the Financial Reporting Council ("relevant financial reporting 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 assets, liabilities and financial position of the Company as at the financial period end date and of the income or loss of the Company for the financial period and otherwise comply with the Companies Act 2014.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and income or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

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.

Annual corporate governance statement

Introduction

The Company is subject to and complies with applicable Irish regulations including the Companies Act 2014 and the listing rules of its capital market Notes in the Luxembourg Stock Exchange issued under the EMTN Programme.

Financial reporting process

The Board of Directors are responsible for keeping adequate records that are sufficient to show and explain the Company's transations and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are required to select suitable accounting policies and then apply them consistently and make judgements and accounting estimates that are reasonable and prudent. The Board of Directors approve the financial statements only when they are satisfied that they give a true and fair view of the state of affairs of the Company and of the income or loss of the Company for that period. The Board of Directors also monitor and evaluate the statutory auditors' performance, qualifications and its professional independence.

Risk assessment and Internal controls

The Board of Directors are responsible for approving risk management principles and policies and ensuring that the Company's management maintains an effective system of internal controls. They are responsible for the management of risk within the framework of risk management principles and policies approved by the Board of Directors. 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.

Monitoring

The Board of Directors have put in place requisite internal controls and its monitoring thereof as part of its policies and guidance procedures. They evaluate such control processes and monitoring thereof on a recurrent and annual basis for suitable changes to strengthen the existing system of internal controls.

Capital structure

The Company is a wholly owned subsidiary of Glencore Finance (Europe) Limited and is ultimately wholly owned by Glencore plc. The Company is governed by its Articles of Association and applicable Irish regulations including the Companies Act 2014 with respect to process of appointment and replacement of directors.

Powers of Directors

The Board of Directors is responsible for managing the operations of the Company in accordance with its Articles of Association and may delegate certain functions as deemed appropriate subject to its supervision.

Approved by the Directors and signed on behalf of the Board of Directors

DocuSigned by:	DocuSigned by:
AFF4FD386B09421...	4AC61FA2CF2946D...
Director	**Director**
09 June 2021	09 June 2021

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCORE CAPITAL FINANCE DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion on the financial statements of Glencore Capital Finance Designated Activity Company (the 'Company')

In our opinion the financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of the loss for the financial period then ended; and
- Have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- The Statement of Comprehensive Income;
- The Statement Financial Position;
- The Statement of Changes in Equity; and
- The related notes 1 to 14, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 101 "Reduced Disclosure Framework" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below 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 Ireland, including the Ethical Standard issued by the Irish Accounting and Auditing Supervisory Authority, as applied to public interest 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.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current financial period were: • Carrying value of Loans to related party
Materiality	The materiality that we used in the current financial period was $28,000,000 or 2% of Notes payable.
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.

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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- The expectation that the Company will continue its activities as a financing entity for Group entities; and
- The Company's ability to generate sufficient interest income from loans to Group entities to meet its liabilities as they fall due.

Deloitte.

Key Audit Matters

Key audit matter are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including 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.

Carrying value of loans receivable	
Key audit matter description	As at 31 December 2020 the loans to related party of the Company of $1,413,769,000 make up approximately 99.5% of the Company's total assets of $1,420,224,000. The carrying value of loans to related party adjusted for any provision for impairment is considered a key audit matter as the determination of an appropriate impairment charge requires a significant amount of management judgment over key assumptions and relies on available data. There is a potential risk that the loans and receivables may be impaired and the provision for impairment may not represent an appropriate estimate of the losses incurred. This could have a material impact on the financial statements. In addition, there is a risk that loans receivable measured under IFRS 9 in the current financial period, maybe inappropriately classified, presented and disclosed under the relevant financial reporting framework. Refer also to note 9 in the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding and assessed the design and implementation of the key controls that have been implemented over the valuation process for loans receivable. We challenged whether the valuation policy adopted for the loans and receivables is in line with IFRS 9, and agreed the carrying value of loans receivable recognised by management to loan agreements and assessed any indication of impairment. We performed confirmation procedures with the appropriate counterparty to obtain relevant and reliable audit evidence of the existence and value of all loans held with the Company. We reviewed the financial statements of the related party for the year ended 31 December 2020 to determine if there are any indications of impairment not already identified by management. We discussed with the directors whether there was any available evidence on impairment or non-performance of the loan. We reviewed any evidence of post period end settlement of the remaining loan. Based on the evidence obtained, we found that the carrying value used by management are considered to be reasonable.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Deloitte.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, 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.

We determined materiality for the Company to be $28,000,000 or 2% of notes payable. We have considered notes payable to be the critical component for determining materiality because the main objective of the Company is to provide investors with a long term risk adjusted return. We have considered quantitative and qualitative factors such as understanding the Company and its environment, complexity of the Company and the reliability of control environment.

We agreed with the Board of Directors (the “Board”) that we would report to the Board any audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the Company, types of financial assets, the involvement of the third party service providers, the accounting processes and controls in place, and the industry in which the Company operates.

We have conducted our audit based on the books and records maintained by the Company. We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, 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 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 otherwise comply with the Companies Act 2014, 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 (Ireland) 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.

Deloitte.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
  In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Deloitte.

Annual Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on pages 6 to 7, that in our opinion the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 Companies Act 2014 is consistent with the Company's statutory financial statements in respect of the financial period concerned, and such information has been prepared in accordance with section 1373 of the Companies Act 2014.

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Other matters which we are required to address

Following the recommendation of the Board, we were appointed on 22 July 2020 to audit the financial statements for the financial period ended 31 December 2020 and subsequent financial periods.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the Board we are required to provide in accordance with ISA (Ireland) 260.

Brian Forrester
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 10 June 2021

Financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

USD '000

	Notes	22 July to 31 December 2020
Operating expenses	4	(59)
Operating loss		**(59)**
Finance income	6	6 545
Finance expenses	7	(6 543)
Loss before taxation		**(57)**
Tax	8	-
Loss for the financial period attributable to owners of the Company		**(57)**

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

USD '000

	Notes	2020
Non - current assets		
Loans to related party	9	1 413 769
Total non - current assets		**1 413 769**
Current assets		
Loans to related parties	9	6 452
Cash and bank balances		3
Total current assets		**6 455**
Total assets		**1 420 224**
Current liabilities		
Other creditors	10	4 608
Total current liabilities		**4 608**
Net current assets		**1 847**
Total assets less current liabilities		**1 415 616**
Non - current liabilities		
Borrowings	11	1 415 673
Total non - current liabilities		**1 415 673**
Total liabilities		**1 420 281**
Total net liabilities		**(57)**
Equity		
Share capital	12	-
Accumulated deficit		(57)
Total shareholders' equity		**(57)**

These financial statements were approved by the Board of Directors on 09 June 2021.

Signed on behalf of the Board of Directors

Director
09 June 2021

DocuSigned by:
AFF4FD386B09421...

Director
09 June 2021

DocuSigned by:
4AC61FA2CF2946D...

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

USD '000

	Share Capital*	Accumulated deficit	Total
As at 22 July 2020	-	-	-
Loss on ordinary activities after taxation	-	(57)	(57)
As at 31 December 2020	-	**(57)**	**(57)**

* Share capital less than 1,000 USD

Notes to the financial statements

1. GENERAL INFORMATION

Glencore Capital Finance Designated Activity Company is registered in Ireland with registered number 674417 and registered office at Unit 3100, Lake Drive, Citywest Business Campus, Dublin 24, Ireland. The Company is tax resident in the United Kingdom. The Company is a wholly owned subsidiary of Glencore Finance (Europe) Limited and is ultimately wholly owned by Glencore plc.

The Company's functional currency is the US Dollar (USD) as this is assessed to be the principal currency of the economic environment in which it operates.

The group accounts of Glencore plc are available to the public and can be obtained as set out in note 14 as is the registered office address of the parent company preparing consolidated accounts.

2. ACCOUNTING POLICIES

Basis of accounting

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. As this is the first financial period, there are no comparatives.

In accordance with FRS 101 the Company has:

- applied the same accounting policies throughout the period presented; and
- applied certain optional exemptions and mandatory exceptions as applicable for FRS 101.

Exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, fair values, capital management, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the consolidated accounts of Glencore plc.

These financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Company has adopted the following principal accounting policies:

Adoption of new and revised standards

Amendments to IAS 1 and IAS 8 – Definition of material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has been featured elsewhere in IFRS Standards, and ensures that the definition of material is consistent across all IFRS Standards. Information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments did not have a material impact on the Company.

2. ACCOUNTING POLICIES (CONTINUED)

Going concern

The Company is expected to continue its activities as a financing entity in the future. As noted in the Directors' report**,** Glencore plc together with other Group entities has unconditionally and irrevocably guaranteed the Company's external bond liabilities. Based on the above, the Directors believe they have a reasonable basis to conclude that the Company will be able to meet its liabilities as they fall due for at least the next 12 months. Accordingly, it is appropriate for the Company to adopt the going concern basis in preparing these financial statements.

Revenue recognition

Finance income

Interest income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at financial period end are converted at financial period end closing rates. The resulting exchange differences are recorded in the statement of comprehensive income.. Non-monetary assets and liabilities are converted at the historical foreign exchange rate at the time of the transaction.

Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank, cash in hand and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of comprehensive income.

Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL) and financial assets 'at amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

Financial instruments (continued)

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including due from related parties and other financial assets) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets
A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument. For financial assets at amortised cost, the entity recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For those balances that are beyond 30 days overdue it is presumed to be an indicator of a significant increase in credit risk.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to the 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

The entity considers an event of default has materialised and the financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the entity without taking into account any collateral held by the entity or if the financial asset is more than 90 days past due unless the entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The entity writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through statement of comprehensive income to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial instruments (continued)

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of comprehensive income. On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Taxation

The tax currently payable is based on taxable profit for the financial period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other financial periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATION UNCERTAINTIES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses and income during the reporting period. At 31 December 2020 there were no critical accounting judgements made in the application of the Company's accounting policies.

4. OPERATING EXPENSES

Operating expenses mainly include various professional and consulting fees along with the audit fee.

Auditors' remuneration
All work carried out by the statutory audit firm in respect of the financial period is set out below. No other fees or expenses were charged by the auditors for the financial period ended 31 December 2020.

USD '000

	2020
Statutory audit of Company	37
Other assurance services	-
Tax advisory services	-
Other non-audit services	-
Total	**37**

Employees

The average monthly number of employees was nil.

5. DIRECTORS' REMUNERATION

None of the Directors are entitled to any fees or remuneration for their services as a director of the Company during the financial period either from the Company or any other entity within the Glencore Group.

6. FINANCE INCOME

USD '000

	2020
Interest income - related parties	6 539
Foreign exchange	6
Total	**6 545**

7. FINANCE EXPENSES

USD '000

	2020
Finance expenses - related parties	(384)
Interest and finance expenses - third parties	(6 159)
Total	**(6 543)**

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

ANALYSIS OF TAX CHARGE ON ORDINARY ACTIVITIES

Legislation was originally introduced in the Finance Bill 2016 and enacted at the statement of financial position date, to reduce the main rate of corporation tax to 17%, from 1 April 2020. Legislation was then introduced in Finance Bill 2020 stating that the main rate of corporation tax would instead remain at 19% for financial year 2021.

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As substantive enactment is after the statement of financial position date, deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19%.

USD ‘000

	2020
United Kingdom corporation tax at 19% based on the profit/(loss) for the financial period	-
Foreign withholding tax paid	-
Tax charge for the financial period	-

FACTORS AFFECTING TAX CHARGE FOR THE CURRENT FINANCIAL PERIOD

The tax assessed for the financial period is lower than that resulting from applying the standard rate of corporation tax in the UK of 19%.

TAX RATE RECONCILIATION

USD ‘000

	2020
Loss on ordinary activities before taxation	**(57)**
Tax at 19% thereon (2018: 19%)	**11**
Effects of:	
Group relief surrendered for nil consideration	(11)
Tax charge for the financial period	-

9. LOANS TO RELATED PARTIES

USD ‘000

	2020
Non current loans to related party*	1 413 769
Current loans to related parties	6 452

*the terms of the loan to the related party match the bonds' tenure and coupon interests with a minimal margin.

All related parties are wholly owned Glencore plc affiliates.

10. OTHER CREDITORS

USD '000

	2020
Amounts owed to related parties	255
Capital market notes interest accruals	4 353
Total	**4 608**

All amounts are due for repayment within one year.

All related parties are wholly owned Glencore plc affiliates.

11. BORROWINGS

Capital market notes

USD MILLION	Maturity	2020
Euro 950 million 1.125% coupon bonds	Mar-28	1 160
Eurobonds		**1 160**
CHF 225 million 1.000% coupon bonds	Mar-27	256
Swiss Franc bonds		**256**
Total non-current bonds		**1 416**
Amounts falling due after more than 5 years		**1 416**

12.EQUITY

USD '000

	2020
Share capital (issued, called up and fully paid)*	
1 ordinary share of EUR 1 nominal	-
Share premium	-

* Share capital less than 1,000 USD

13. SUBSEQUENT EVENTS

The Company issued two new bonds subsequent to the period end:

Eurobonds

- In March 2021, the Company issued 8 year EUR 600 million, 0.75 % fixed coupon bonds, due March 2029.
- In March 2021, the Company issued 12 year EUR 500 million, 1.250% fixed coupon bonds, due March 2033.

14. ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is Glencore plc, a company incorporated in Jersey with registered offices at 13 Castle Street, St Helier, Jersey JE1 1ES. This is the largest and smallest company for which consolidated financial statements are prepared which includes the Company.

Copies of the consolidated financial statements of Glencore plc may be obtained from Queensway House or from www.glencore.com.