



**INEOS Olefins Belgium Holdings
Limited**

Annual report and financial statements
Registered number 12908497
31 December 2022

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Directors' report for the year ended 31 December 2022

The directors present their report and audited financial statements of the Company for the year ended 31 December 2022.

Principal activities

The Company is a holding company for its direct subsidiary, INEOS Olefins Belgium N.V..

INEOS Olefins Belgium N.V., is developing a new large olefins plant in Antwerp, Belgium, known as Project ONE. Project ONE consists of an ethane steam cracker with a nameplate capacity of approximately 1,450 kta and associated utilities, tankage and infrastructure. Construction of the plant began on site in the summer of 2022 and the plant is anticipated to be completed in 2026. This project will be funded by debt secured on the Project ONE assets. On 22 December 2022, INEOS Olefins Belgium N.V. entered into certain agreements providing for loans in an aggregate principal amount of €3,500,000,000 under (i) facilities guaranteed by export credit agencies (UKEF, SACE and CESCE), (ii) a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government) and (iii) a Commercial Facility to fund the construction of Project One, a 1,450 ktpa ethane cracker and olefins complex located in the port of Antwerp. The Company, along with certain of its affiliates, is a party to these agreements. The ability to draw the funds was contingent on the receipt of certain guarantees which did not complete until February 2023, therefore as at 31 December 2022 no funds were available to be drawn. The facilities started to be drawn in the first quarter of 2023 and are expected to be drawn in stages throughout the construction period to the end of 2026. As part of the security package, on 7 February 2023 INEOS Olefins Belgium Holdings Limited has pledged both its shares in INEOS Olefins Belgium N.V. and all its rights and claims under and in connection with the intra-group loan agreements.

In December 2022, the intra-group loan that INEOS Olefins Belgium N.V. had with INEOS European Holdings Limited, the Company's parent was transferred to INEOS Olefins Belgium Holdings Limited.

On 28 February 2023, €417,066,000 of the intra-group loan with INEOS Olefins Belgium N.V. was capitalised in exchange for 1 new share through a contribution in kind.

On 16 May 2023, €417,066,000 of the intra-group loan with INEOS European Holdings Limited was capitalised in exchange for 1 new share.

Results and dividends

The profit for the financial year before taxation was €49,000 (2021: loss for the financial period of €4,000). No dividends were paid during the year and the directors do not propose the payment of a dividend (2021: €nil).

Future developments

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

Post balance sheet events

Post balance sheet events are discussed in Note 15.

COVID-19 and the Ukraine conflict

The Company continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Company's plants.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Company plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Company. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

Directors' report for the year ended 31 December 2022 (continued)

COVID-19 and the Ukraine conflict (continued)

The Company does not have operations in Belarus, Russia or Ukraine and is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the directors have undertaken a rigorous assessment of the potential impact on demand for the Company products and services and the impact on margins for the next 12 months and the directors do not expect a material impact on the Company's ability to operate as a going concern.

Going concern

The directors have considered the Company's projected future cash flows and working capital requirements for a period of at least 12 months from signing of these financial statements. As at 31 December 2022, the Company had net assets of €37,000 (2021: *net liabilities of €3,000*). The Company held cash of €nil (2021: *€nil*) and loans and borrowings of €417,068,000 (2021: *€62,000*). The profit for the year was €40,000 (2021: *loss for the financial period of €3,000*). The directors have stress tested the projected future cash flows through taking account of reasonable possible changes in performance to determine the level of support that may be required from the parent company. The directors have received confirmation that INEOS Holdings Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future. According, the Company continues to adopt the going concern basis in preparing its financial statements.

Key performance indicators ("KPIs")

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

Principal risks and uncertainties

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

Directors

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

G W Leask
J N Meers

Streamlined Energy and Carbon Reporting ("SECR")

The Company is non-trading, does not have any employees nor any premises so is not providing any disclosures as it is able to obtain an exemption due to consuming less than 40,000KWh of energy.

Directors' report for the year ended 31 December 2022 (continued)

Health & safety

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

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

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors' confirmations

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

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

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

Directors' report for the year ended 31 December 2022 (continued)

Small company exemption

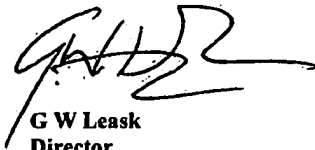
In preparing this report, the directors have taken advantage of the small company exemptions provided by the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by the Companies Act 2006 and have not prepared a strategic report.

Independent auditor

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

Approved and signed on behalf of the Board.



G W Leask
Director
26 June 2023
Registered number 12908497

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of INEOS Olefins Belgium Holdings Limited (the "Company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 15.

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

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 INEOS Olefins Belgium Holdings Limited (*continued*)

Report on the audit of the financial statements (*continued*)

Other information

The other information comprises the information included in the annual report and financial statements, 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. This description forms part of our auditor's report.

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

Report on the audit of the financial statements (*continued*)

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 the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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, Money Laundering regulations, Health and Safety at work legislation, Data Protection Act, Tax legislation and Bribery Act; 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.

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.

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.

Independent auditor's report to the members of INEOS Olefins Belgium Holdings Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Directors' report.

Matters on which we are required to report by exception

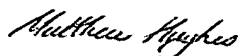
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
26 June 2023

Profit and Loss Account
for the year ended 31 December 2022

	Note	2022 €000	16 month period ended 31 December 2021 €000
Administrative expenses		(15)	(3)
Operating loss	2	(15)	(3)
Interest receivable and similar income	4	855	-
Interest payable and similar expenses	5	(791)	(1)
Profit/(loss) before taxation		49	(4)
Tax on profit/(loss)	6	(9)	1
Profit/(loss) for the financial year/period		40	(3)

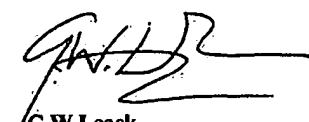
All activities of the Company relate to continuing operations.

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 2022

	Note	2022 €000	2021 €000
Fixed assets			
Investments	7	417,127	62
		<u>417,127</u>	<u>62</u>
Current assets			
Debtors	8	-	1
		<u>-</u>	<u>1</u>
Creditors: amounts falling due within one year	9	(22)	(4)
		<u>(22)</u>	<u>(3)</u>
Net current liabilities		<u>(22)</u>	<u>(3)</u>
Total assets less current liabilities		<u>417,105</u>	<u>59</u>
Creditors: amounts falling due after more than one year	10	(417,068)	(62)
		<u>(417,068)</u>	<u>(62)</u>
Net assets/(liabilities)		<u>37</u>	<u>(3)</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		37	(3)
		<u>37</u>	<u>(3)</u>
Total equity / (deficit)		<u>37</u>	<u>(3)</u>

These financial statements on pages 9 to 21 were approved by the board of directors on 26 June 2023 and were signed on its behalf by:


G W Leask
Director
Registered number 12908497

Statement of Changes in Equity

for the year ended 31 December 2022

	Note	Called up share capital €000	Profit and loss account €000	Total deficit €000
Balance at 28 September 2020		-	-	-
Total comprehensive expense for the period, comprising:				
Loss for the financial period		-	(3)	(3)
Total comprehensive expense for the period		-	(3)	(3)
Transactions with owners, recorded directly in equity:				
Issues of shares	11	-	-	-
Total contributions by and distributions to owners		-	-	-
Balance at 31 December 2021		-	(3)	(3)
		Called up share capital €000	Profit and loss account €000	Total (deficit)/ equity €000
Balance at 1 January 2022		-	(3)	(3)
Total comprehensive income for the year, comprising:				
Profit for the financial year		-	40	40
Total comprehensive income for the year		-	40	40
Balance at 31 December 2022		-	37	37

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements)

1 Accounting policies

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

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

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

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

The financial statements are expressed in euros as the Company primarily generate income, incur expenditure and have the majority of their assets and liabilities denominated in euros. The exchange rate as at 31 December 2022 was € 1.13007/£1 (2021: € 1.19104 /£1).

INEOS Group Holdings S.A. is the parent undertaking that includes the Company in its consolidated financial statements. INEOS Group Holdings S.A. is a company incorporated in Luxembourg. The consolidated financial statements of INEOS Group Holdings S.A. are prepared in accordance with International Financial Reporting Standards and can be obtained from the Company Secretary at the registered office, 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg.

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

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

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

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*;
- Certain disclosures required by IFRS 15 *Revenue from Contracts with Customers*; and
- Certain disclosures required by IFRS 16 *Leases* in respect of leases for which the Company is a lessee.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 14.

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.1 Measurement convention

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

1.2 Going concern

The Company continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Company's plants.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Company plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Company. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Company does not have operations in Belarus, Russia or Ukraine and is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the directors have undertaken a rigorous assessment of the potential impact on demand for the Company products and services and the impact on margins for the next 12 months and the directors do not expect a material impact on the Company's ability to operate as a going concern.

The directors have considered the Company's projected future cash flows and working capital requirements for a period of at least 12 months from signing of these financial statements. As at 31 December 2022, the Company had net assets of €37,000 (2021: liabilities of €3,000). The Company held cash of €nil (2021: €nil) and loans and borrowings of €417,068,000 (2021: €62,000). The profit for the year was €40,000 (2021: loss for the financial period of €3,000). The directors have stress tested the projected future cash flows through taking account of reasonable possible changes in performance to determine the level of support that may be required from the parent company. The directors have received confirmation that INEOS Holdings Limited, will continue to support the Company for at least the 12 months from signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

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 2022 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.4 Non-derivative financial instruments

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

Trade and other debtors

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

Trade and other creditors

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

Investments in shares in group undertakings

Investments are stated in the balance sheet at cost less any provisions for impairment.

Interest-bearing borrowings

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

1.5 Impairment of non-financial assets

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

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

1.6 Interest receivable and interest payable

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

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

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.7 Taxation

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

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

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

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

1.8 Impact of new standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2022 which have had a material impact on the Company.

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

2 Operating loss

Auditor's remuneration:

	2022 €000	16 month period ended 31 December 2021 €000
Audit of these financial statements	5	3

3 Directors and employees

The Company had no employees during the year (2021: none). None of the directors received any fees or remuneration in respect of their services as a director of the Company during the year. The directors are remunerated for their qualifying services by another group company for contributions to the group as a whole and not possible to apportion this to the Company.

4 Interest receivable and similar income

	2022 €000	16 month period ended 31 December 2021 €000
Interest income on financial assets measured at amortised cost	855	-
Total interest receivable and similar income	855	-

Interest receivable and similar income includes interest receivable from group undertakings of €855,000 (2021: €nil).

5 Interest payable and similar expenses

	2022 €000	16 month period ended 31 December 2021 €000
Interest expense on financial liabilities measured at amortised cost	791	1
Total interest payable and similar expenses	791	1

Interest payable and similar expenses includes interest payable to group undertakings of €791,000 (2021: €1,000).

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

6 Tax on profit/(loss)

Recognised in the profit and loss account

	2022 €000	16 month period ended 31 December 2021 €000
<i>UK corporation tax</i>		
Tax on profit/(loss) for the year/period	9	(1)
	<hr/>	<hr/>
Total current tax charge/(credit)	9	(1)
	<hr/>	<hr/>
Tax on profit/(loss)	9	(1)
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2022 €000	16 month period ended 31 December 2021 €000
Tax on profit/(loss)	9	(1)
	<hr/>	<hr/>
Profit/(loss) before taxation	49	(4)
Profit/(loss) multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	9	1
	<hr/>	<hr/>
Total tax charge/(credit)	9	(1)
	<hr/>	<hr/>

The Finance Bill 2021 which increased the rate of corporation tax to 25% on profits over £250,000 from April 2023 was substantively enacted on 24 May 2021. As a result, deferred taxed in the United Kingdom at 31 December 2022 are measured at 25%.

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

7 Investments

	Shares in group undertakings €000	Loans to group undertakings €000	Total €000
Cost			
Balance at 01 January 2022	62	-	62
Additions	-	417,065	417,065
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	62	417,065	417,127
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2021	62	-	62
	<hr/>	<hr/>	<hr/>
At 31 December 2022	62	417,065	417,127
	<hr/>	<hr/>	<hr/>

Name	Address of the registered office	Class of shares held	Ownership	
			2022	2021
INEOS Olefins Belgium N.V. (formerly INEOS Manufacturing Belgium II N.V.)	Scheldelaan 482, B-2040, Antwerpen, Belgium	Ordinary	100%	100%

In December 2022, the intra-group loan that INEOS Olefins Belgium N.V. had with INEOS European Holdings Limited, the Company's parent was transferred to INEOS Olefins Belgium Holdings Limited. On 28 February 2023, €417,066,000 of the intra-group loan with INEOS Olefins Belgium N.V. was capitalised in exchange for 1 new share through a contribution in kind.

On 7 February 2023, as part of the security package of the Project ONE financing facilities, INEOS Olefins Belgium Holdings Limited has pledged its shares in INEOS Olefins Belgium N.V. and all its rights and claims under and in connection with the intra-group loan agreements.

Notes to the financial statements for the year ended 31 December 2022
(forming part of the financial statements) (continued)

8 Debtors

	2022 €000	2021 €000
Amounts owed by group undertakings	-	1

Amounts owed by group undertakings are unsecured, attract interest at commercial rates, have no fixed date of repayment and are repayable on demand.

9 Creditors: amounts falling due within one year

	2022 €000	2021 €000
Amounts owed to group undertakings	8	-
Accruals	14	4
	<u>22</u>	<u>4</u>

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

10 Creditors: amounts falling due after more than one year

	2022 €000	2021 €000
Amounts owed to group undertakings	417,068	62

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

Notes to the financial statements for the year ended 31 December 2022
(forming part of the financial statements) (continued)

11 Called up share capital

	Ordinary shares 2022	
On issue at 1 January and 31 December 2022 – fully paid	100	
	<hr/>	
	2022	2021
	€000	€000
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
	<hr/>	<hr/>

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

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

Dividends

A dividend has not been paid or declared in the year (2021: €nil).

Notes to the financial statements for the year ended 31 December 2022 (forming part of the financial statements) (continued)

12 Related parties

Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with subsidiaries under common ownership.

13 Controlling parties

The immediate parent undertaking is INEOS European Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company at 31 December 2022 was INEOS Limited, a company incorporated in the Isle of Man.

INEOS Group Holdings S.A. is the parent undertaking of the smallest and largest group undertakings to consolidate these financial statements. The consolidated financial statements of INEOS Group Holdings S.A. are prepared in accordance with International Financial Reporting Standards and can be obtained from the Company Secretary at the registered office, 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg.

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

14 Accounting estimates and judgements

The Company prepares its financial statements in accordance with FRS 101, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There is no area within the financial statements that involve a significant degree of judgement or estimation.

15 Subsequent events

On 7 February 2023, as part of the security package of the Project ONE financing facilities, INEOS Olefins Belgium Holdings Limited has pledged both its shares in INEOS Olefins Belgium N.V. and all its rights and claims under and in connection with the intra-group loan agreements.

On 28 February 2023, €417,066,000 of the intra-group loan with INEOS Olefins Belgium N.V. was capitalised in exchange for 1 new share through a contribution in kind.

On 16 May 2023, €417,066,000 of the intra-group loan with INEOS European Holdings Limited was capitalised in exchange for 1 new share.