

INEOS Commercial Services UK Limited

Annual report and financial statements

Registered number 07445497

31 December 2023



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Strategic report for the year ended 31 December 2023

The directors present their Strategic report on the Company for the year ended 31 December 2023.

Review of business and future developments

INEOS Commercial Services UK Limited ("the Company") is engaged in the procurement of raw materials and sale of petrochemical products manufactured at the petrochemical site in Grangemouth. The Company has a tolling contract with INEOS Chemicals Grangemouth Limited for the manufacture of its product, and distribution agreements with Limited Risk Distributors in Europe for the sale of the product for which it pays a small margin.

INEOS Chemicals Grangemouth Limited together with INEOS Commercial Services UK Limited are wholly owned subsidiaries of INEOS Grangemouth Limited. INEOS Grangemouth Limited is also the majority shareholder of Grangemouth Energy Company Limited, and together this group of companies form the Grangemouth business of INEOS O&P UK ("the Group").

The Company encountered various challenges during the year, the effects of high inflation, higher energy costs and reduced market demand due to reduced consumer confidence in demand from their customers. Demand for the business' products declined as a result of reduced consumer demand and cheaper imports into Europe being available particularly from the U.S. These issues had a profound impact on the business due to the Company's high steam and power demand, resulting in significant exposure to natural gas prices.

The planned turnaround events ("TAR") on the Polymer plant from 2022 was moved into this financial year while the previously planned KG TAR has subsequently been pushed from 2023 to a phased TAR profile from 2024 to 2027. During a TAR the plant is shutdown to perform critical maintenance activities and the production volume of the site is reduced during the outage period. During the year the Polymer plant TAR was delivered safely, on time and on budget.

Looking forward into 2024 the business expects the natural gas price to remain higher than historical averages, although at similar levels as those experienced in 2023. Market conditions are still expected to be challenging and consequently the additional furnace on the gas cracker will remain in mothball status due to restricted sales demand. The new energy project will continue to be temporarily suspended during 2024 and the business will continue to manage its cost base and capital expenditure in line with affordability.

Results and dividends

The loss for the financial year before taxation was €98,456,000 (2022: €85,884,000). The directors do not propose the payment of a dividend (2022: *€nil*).

Strategic report for the year ended 31 December 2023 (continued)

Strategy

The Company's strategic aim is to use the benefits of our advantaged feedstock for the KG ethylene cracker to grow the Grangemouth base and our long-term profitability. Long-term supply contracts are in place to provide a secure source of advantaged feedstock from the USA and the North Sea, which will eliminate the feedstock constraints the business has been operating under in previous years and allow the assets to be operated at full capacity to maximise production and profitability.

The Grangemouth site 'Road Map' to achieving Net Zero continues apace. Emission savings of more than 65% across the site are targeted. This is to be achieved through a series of investments, partnerships and innovative engineering. The Road Map involves a proposed move to the production and use of hydrogen by all businesses at the Grangemouth site accompanied by carbon capture and storage. This will include capturing CO₂ from existing hydrogen production and the construction of a carbon capture enabled hydrogen production plant.

In addition, the regeneration programme on the Grangemouth site has already remediated large areas, on which we hope to attract both internal INEOS and external investment. This investment will utilise the utilities and services already available with the intention to grow the Grangemouth manufacturing base.

Section 172(1) statement

The directors have the duty under section 172 to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. In the performance of its duty to promote the success of the Company and fairness in decision making the Board have regard (amongst other matters) for:

- a. the likely consequences of any decision in the long-term;
- b. the interests of the Company's employees;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and the environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

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

Long-term factors (a)

The Company's principal objectives are to maintain its position as a key global supplier of its products and to increase the value of INEOS by generating strong, sustainable, and growing cash flows across industry cycles. To achieve these objectives, the Company has the following key strategies:

- a. Maintain health, safety, security, and environmental excellence;
- b. Maintain and grow the Company's leadership positions to enhance competitiveness;
- c. Reduce costs and realise synergies;
- d. Maximise utilisation of assets;
- e. Access advantaged feedstock and energy opportunities; and
- f. Develop and implement a sustainable business.

Strategic report for the year ended 31 December 2023 (*continued*)

Section 172(1) statement (*continued*)

Long-term factors (a) (continued)

The Company aims to operate and develop its business in a way that supports both the current and future needs, taking into account relevant economic, environmental, and social factors. This enables the Company to sustain the business for the long term. The directors strongly believe that sustainable business management and practices will contribute to long-term business success and will strengthen the Company's leading position in the market and also in a circular world. The directors ensure that the Company has sufficient resources to support its long-term growth strategy and to fund its investments. An important element is the Company's long-term cash and operational planning in relation to the capital requirements needed to grow and to extend the life span of the assets. The directors consider available and required funds as a basis for any dividend under its distribution policy.

Stakeholder considerations (b – e)

Engaging stakeholders and developing meaningful partnerships is essential for long-term business success. The Company engages in regular, open, and proactive dialogue with all relevant stakeholders as this is needed to understand their perspectives, expectations, concerns, and needs. The business relationships with suppliers and customers are of strategic importance to the directors of the Company and in the decision-making process. For example in many instances suppliers are located on the same chemical parks which helps develop partnerships, facilitate discussions as well as reduce waste, inefficiency. The Company also works with trade unions and have open and constructive discussions as well as investing in training programmes to continue to develop employees at all levels of the organisation (see the 'Employees' section within the Directors Report for further details of employee engagement). In this way, the Company is able to integrate stakeholder's considerations into business decision-making processes. Dialogue with stakeholders gives the Company the opportunity to explain its clear and committed approach to sustainability as well as the value of the Company's work, products and services for society.

Key stakeholders contribute to the Company's economic, social, and environmental performance. Stakeholders include customers, suppliers, employees, investors, financial experts and rating agencies, local communities, industry associations, NGOs, scientific institutions, universities, government, and value chain partners. The Company is very conscious of having a sustainable business, so INEOS produces an annual sustainability report which aligns with the Global Reporting Initiative (GRI) framework and focuses on the issues most material to the Company and its stakeholders. The report focuses on eight key areas, being:

1. Climate change – advancing the transition to net zero;
2. Circular economy – maximising resource efficiency and eliminating waste;
3. Water stewardship – Tracking and reducing our water footprint chains;
4. Zero pollution – driving progress towards sustainable chemical value chains;
5. Our people – prioritising workplace health and safety (SHE) and fairness;
6. People in our value chain – safeguarding conditions and human rights;
7. People in our communities – respecting and supporting local communities;
8. Governance – maintaining the highest standard of ethics and compliance

The Company is committed to maintaining a workplace that is safe, professional, and supportive of teamwork and trust. The Company is committed to creating and sustaining a work environment of mutual trust where all employees are treated with respect and dignity, compensated fairly based on local market conditions, and are entitled to adequate working hours. The Company value diversity of its people and each of its employees is recognised as an important member of the team.

Strategic report for the year ended 31 December 2023 (continued)**Section 172(1) statement (continued)***Stakeholder considerations (b – e) (continued)*

The Company is committed to protecting and maintaining the quality of the environment and to promoting the health and safety of its employees, contractors, suppliers, customers, visitors, and the communities in which it operates. For example INEOS is a signatory to the International Council of Chemical Associations' (ICCA) Responsible Care Global Charter which demonstrates the Company's commitment to strengthening chemicals management systems, safeguarding people and the environment, and working towards sustainable solutions through our value chain. Compliance with all legislation intended to protect people, property and the environment is one of the Company's fundamental priorities and applies to its products as well as to its processes. Management lead by example and allocate the required resources to achieve excellence in SHE performance

The need to act fairly as between members of the Company (f)

The Company has a single shareholder and a single ultimate controlling party. Their interests are taken into account by the directors to promote fairness in decision making.

Principal Decisions

There were no principal decisions that management took in the year ending 31 December 2023.

Streamlined Energy and Carbon Reporting ("SECR")

The "SECR" disclosures relating to the Company are included within the "SECR" disclosures made in the annual report of INEOS Industries Limited, the parent undertaking of the largest group of undertakings to consolidate these financial statements. The Company has taken advantage of the exemption from the requirement to make SECR disclosures in these financial statements.

Key performance indicators ("KPIs")

The Company uses a number of financial and non-financial key performance indicators ("KPIs") to measure performance, which are monitored against budget and the prior year.

The main financial KPI for the business is earnings before interest, taxation, depreciation, amortisation and exceptional items ("EBITDA before exceptional items"). EBITDA before exceptional items for the Company for the year ending 31 December 2023 was a loss of €114,109,000 (2022: €66,234,000). The Company also closely monitors fixed costs against budget and prior year.

Details of actual and comparative EBITDA before exceptional items results are provided below:

	2023 €000	2022 €000
Operating loss	(114,153)	(66,318)
Depreciation charge for the year	44	84
	<u>(114,109)</u>	<u>(66,234)</u>

Strategic report for the year ended 31 December 2023 *(continued)*

Key performance indicators (“KPIs”) *(continued)*

The decrease in EBITDA before exceptional items in 2023 as compared to 2022 was primarily due to reduced consumer demand and the impact of higher natural gas prices and the effects of high inflation. This impacted revenue and subsequently the trading performance.

The Company uses a number of other non-financial key performance indicators to measure performance including health, safety and environmental (“SHE”) metrics such as Occupational Safety and Health Administration (“OSHA”) incident and injury rates to measure the safe working of employees and contractors. Other KPIs include monitoring the reliability of operating assets and working capital ratios of the Company.

Principal risks and uncertainties

The management of the business and the execution of the Company’s strategy are subject to a number of risks. Management undertakes an annual risk identification and assessment process to identify the key business risks affecting the Company. The key business risks affecting the Company which were identified within this risk assessment process are set out below:

- The petrochemical industry is cyclical — changing market demands and prices may negatively affect the Company’s operating margins and impair its cash flow which, in turn, could affect its ability to make payments on its debt or to make further investments in the business.
- Raw materials and suppliers — if the Company is unable to pass on increases in raw material prices, or to retain or replace its key suppliers, its results of operations may be negatively affected.
- International operations and currency fluctuations — the Company is exposed to currency fluctuation risks as well as to economic downturns and local business risks in several different countries that could adversely affect its profitability.
- Competition — significant competition in the Company’s industries, whether through efforts of new and current competitors or through consolidation of existing customers, may adversely affect its competitive position, sales and overall operations.
- Inability to maximise utilisation of assets — the Company may be adversely affected if it is unable to implement its strategy to maximise utilisation of assets.
- Synergies — the Company may not realise anticipated revenue and cost synergies, benefit from anticipated business opportunities or experience anticipated growth from any of its acquisitions.
- Outbreaks of disease — the outbreak of contagious diseases may have a negative impact on the Company’s business and performance, and an adverse impact on the global economy generally.
- Substantial debt — the Company’s substantial debt could adversely affect its financial position and prevent it from fulfilling its debt obligations.
- Cyber security — a cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.
- Climate change — existing and proposed regulations to address climate change by limiting greenhouse gas emissions may cause us to incur significant additional operating and capital expenses. In addition compliance with new regulation could limit the useful economic life of our plants, lead to a reduction in demand for fossil fuel derived products and result in a lack of competitiveness if our competitors develop new technologies. The Company’s operations may also be impacted by physical risks as a result of climate change.
- Regulation — the Company is highly regulated and may have substantial obligations and liabilities arising from health, safety, security and environmental (“HSSE”) laws, regulations and permits applicable to our operations.
- Customers — the Company is subject to the risk of loss resulting from non-payment or non-performance by our customers. Our credit procedures and policies may not be adequate to minimize or mitigate customer credit risk. Our customers may experience financial difficulties, including bankruptcies, restructurings and liquidations.

Strategic report for the year ended 31 December 2023 *(continued)*

Principal risks and uncertainties *(continued)*

- Employees — the success of the Company depends on the continued service of certain key personnel and on good relations with our workforce as any significant disruption could adversely affect the Company.
- Wars and armed conflicts — military conflicts could lead to significant market and other disruptions, including significant volatility in energy and other commodity prices.

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

Signed by:

2869E0663DDE4C9

C G Mound

Director

6 September 2024

Registered number 07445497

Directors' report for the year ended 31 December 2023

The directors present their report and financial statements of the Company for the year ended 31 December 2023.

Principal activities

The Company is engaged in the production and sale of petrochemical products manufactured at the petrochemical site in Grangemouth, Scotland. The main product manufactured by the olefins business is ethylene through the operation of a cracker fuelled by gas. The ethylene and other by-products can then be sold or manufactured further to produce polyethylene, polypropylene and synthetic ethanol, which are sold either directly or through a network of Limited Risk Distributors in the UK and across Europe for which the Company pays a small margin.

Results and dividends

Results and dividends are discussed in the Strategic report.

Future developments

Future developments are discussed in the Strategic report.

Post balance sheet events

There has been no post balance sheet events since the balance sheet date.

The Ukraine conflict

The Company does not have operations in Belarus, Russia or Ukraine. During 2022 and 2023 revenue generated in these countries was not material to the Company. The Company 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.

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 2023, the Company had net current assets of €49,092,000 (2022: €45,465,000) and net assets of €141,078,000 (2022: €218,005,000). The Company held cash of €23,698,000 (2022: €41,118,000) and loans and borrowings of €400,120,000 (2022: €301,845,000). The loss for the year was €76,038,000 (2022: €68,830,000). The directors have received confirmation that the parent, INEOS Industries 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

Directors' report for the year ended 31 December 2023 *(continued)*

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company where appropriate. The Company is exposed to commodity price risk as a result of its operations. The Company manages its credit exposures with a set of policies for ongoing credit checks on potential and current customers or counterparties. The Company is funded by its parent company INEOS Industries Limited and therefore has no direct exposure to liquidity or debt market risk.

Directors

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

S M Collings

P Q Grant (resigned 11 November 2023)

C G Mound

A Hogan (appointed 1 December 2023)

A T Hughes

Streamlined Energy and Carbon Reporting ("SECR")

Streamlined energy and carbon reporting is discussed in the Strategic Report.

Employees

The Company has developed voluntary practices and procedures for employee involvement appropriate to their own circumstances and needs. The Company encourages this approach to provide information and consultation and believes that this promotes a better understanding of the issues facing the individual business in which the employee works. The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Company by issuing communications on the company intranet, holding information meetings hosted by the Board and operating a bonus scheme linked to the business performance. The Company consults employees or their representatives through a works council on a regular basis so that the views of employees can be taken into account in making decisions that are likely to affect their interests.

The Company prohibits acts of discrimination whereby one individual is treated less favourably than another on grounds of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity. The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Directors' report for the year ended 31 December 2023 *(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, 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.

Business relationships

The business relationships with suppliers and customers are of strategic importance to the directors of the Company and their decision-making process. The business relationships of INEOS O&P UK are described in the Section 172(1) statement in the Strategic report.

Directors' responsibilities statement

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

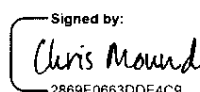
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 judgements 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.

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

Signed by:

2869E0663DDE4C9

C G Mound

Director

6 September 2024

Registered number 07445497

Profit and Loss Account

for the year ended 31 December 2023

	Note	2023 €000	2022 €000
Turnover	2	626,286	1,154,376
Cost of sales		(684,762)	(1,155,566)
Gross loss		(58,476)	(1,190)
Other operating income		2	4
Distribution costs		(36,011)	(50,840)
Administrative expenses		(19,668)	(14,292)
Operating loss	3	(114,153)	(66,318)
Interest receivable and similar income	6	35,792	14,815
Interest payable and similar expenses	7	(20,095)	(34,381)
Loss before taxation		(98,456)	(85,884)
Tax on loss	8	22,418	17,054
Loss for the financial year		(76,038)	(68,830)

All activities of the Company relate to continuing operations.

Statement of Comprehensive Income

for the year ended 31 December 2023

	Note(s)	2023 €000	2022 €000
Loss for the financial year		(76,038)	(68,830)
Other comprehensive expense			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial loss recognised in the pension scheme	18	(1,204)	(26,346)
Deferred tax arising on actuarial loss in the pension scheme	8,13	315	6,587
Other comprehensive expense the year, net of income tax		(889)	(19,759)
Total comprehensive expense for the year		(76,927)	(88,589)

Balance Sheet

as at 31 December 2023

	Note	2023 €000	Restated (see Note 1) 2022 €000
Fixed assets			
Tangible assets	9	40	40
Investments	10	496,942	477,612
		<u>496,982</u>	<u>477,652</u>
Current assets			
Stocks	11	77,932	73,228
Debtors (including €16,400,000 (2022: €15,058,000) due after more than one year)	12	101,850	109,536
Cash at bank and in hand		23,698	41,118
		<u>203,480</u>	<u>223,882</u>
Creditors: amounts falling due within one year	14	<u>(154,388)</u>	<u>(178,417)</u>
Net current assets		<u>49,092</u>	<u>45,465</u>
Total assets less current liabilities		<u>546,074</u>	<u>523,117</u>
Creditors: amounts falling due after more than one year	15	<u>(400,844)</u>	<u>(301,952)</u>
Provisions for liabilities			
Post-employment benefits	18	(4,152)	(3,160)
Net assets		<u>141,078</u>	<u>218,005</u>
Capital and reserves			
Called up share capital	19	-	-
Profit and loss account		141,078	218,005
Total equity		<u>141,078</u>	<u>218,005</u>

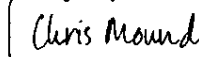
For the year ending 31 December 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Balance Sheet (*continued*)
as at 31 December 2023

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 10 to 40 were approved by the Board of Directors on 6 September 2024 and were signed on its behalf by:

Signed by:

2869E0663DDE4C9

C G Mound
Director
Registered number 07445497

Statement of Changes in Equity

for the year ended 31 December 2023

	Note(s)	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2022		-	306,594	306,594
Loss for the financial year		-	(68,830)	(68,830)
Other comprehensive expense for the year, comprising				
Actuarial loss recognised in the pension scheme	18	-	(26,346)	(26,346)
Deferred tax arising on actuarial loss in the pension scheme	8,13	-	6,587	6,587
		-	(19,759)	(19,759)
Other comprehensive expense		-	(19,759)	(19,759)
Total comprehensive expense for the year		-	(88,589)	(88,589)
Balance at 31 December 2022		-	218,005	218,005

	Note(s)	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 January 2023		-	218,005	218,005
Loss for the financial year		-	(76,038)	(76,038)
Other comprehensive expense for the year, comprising				
Actuarial loss recognised in the pension scheme	18	-	(1,204)	(1,204)
Deferred tax arising on actuarial loss in the pension scheme	8,13	-	315	315
		-	(899)	(899)
Other comprehensive expense		-	(899)	(899)
Total comprehensive expense for the year		-	(76,927)	(76,927)
Balance at 31 December 2023		-	141,078	141,078

Notes to the financial statements for the year ended 31 December 2023 (forming part of the financial statements)

1 Accounting policies

INEOS Commercial Services UK Limited (the "Company") is a private limited company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office address is Hawkslease, Chapel Lane, Lyndhurst, Hampshire, England, SO43 7FG.

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

The Company's parent undertaking, INEOS Grangemouth Limited, includes the Company in its consolidated financial statements. INEOS Grangemouth Limited is a company incorporated in the UK. The consolidated financial statements of INEOS Grangemouth Limited are available to the public and may be obtained from the Company Secretary, Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG.

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

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- 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 Grangemouth Limited 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 disclosure 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 23.

Notes to the financial statements for the year ended 31 December 2023
(forming part of the financial statements) (continued)**1 Accounting policies (continued)****Restatement of comparative**

The prior year financial statements have been restated for the following reclassification adjustments:

- Deferred tax asset shown separately on the face of the balance sheet to be included in Debtors total.

The effect of this assessment is summarised in the table below.

Balance sheet extract

	31 December 2022 as previously stated €000	Restatement €000	31 December 2022 restated €000
Debtors	94,567	14,969	109,536
Deferred tax asset	14,969	(14,969)	-
	109,536	-	109,536

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that financial instruments classified as fair value through the profit or loss or fair value through other comprehensive income which are stated as their fair value.

1.2 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 2023, the Company had net current assets of €49,092,000 (2022: €45,465,000) and net assets of €141,078,000 (2022: €218,005,000). The Company held cash of €23,698,000 (2022: €41,118,000) and loans and borrowings of €400,120,000 (2022: €301,845,000). The loss for the year was €76,038,000 (2022: €68,830,000). The directors have received confirmation that the parent, INEOS Industries 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 Functional and presentation currency

These Company financial statements are presented in euro, which is the functional currency of the majority of operations. The exchange rate as at 31 December 2023 was €1.14982: £1 (2022: €1.13007/£1)

All financial information presented in euro has been rounded to the nearest €1,000.

Notes to the financial statements for the year ended 31 December 2023
*(forming part of the financial statements) (continued)***1 Accounting policies (continued)****1.4 Foreign currency**

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

1.5 Non-derivative financial instruments

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

Trade and other debtors

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

Trade and other creditors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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.

1.6 Intra-group financial instruments

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

Notes to the financial statements for the year ended 31 December 2023 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.7 Tangible fixed assets

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

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

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Depreciation commences from the date an asset is brought into service. The estimated useful lives are as follows:

- right-of-use assets 3 – 4 years

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

1.8 Investments

Shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto, less any accumulated impairment loss.

The Company applies IFRS 9, including the impairment requirements, to long-term interests in other group undertakings to which the equity method is not applied and which form part of the net investment. Furthermore, in applying IFRS 9 to long-term interests, the Company does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.10 Impairment of financial assets

Trade and other debtors

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

Financial assets which are considered low risk are not provided for impairment by the Company as the loss allowance is considered immaterial.

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

Amounts due from related parties

For amounts due from related parties, an impairment loss is recognised at inception based on the 12 month expected credit loss. Subsequently, the Company assesses whether there is a significant increase in credit risk to determine whether the 12 month expected credit loss model should continue to be applied or whether the timeline expected credit loss model should be applied.

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

1 Accounting policies (continued)

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

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

For other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

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

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

1.12 Post-employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan is recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value; and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from the defined benefit plan comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the financial statements for the year ended 31 December 2023 (forming part of the financial statements) (continued)

1 Accounting policies (continued)

1.13 Turnover

Turnover represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Turnover is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Turnover arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

Services provided to third parties include administrative and operational services provided to other chemical companies with facilities on our sites. Turnover is recognised at a point in time or over-time depending on whether the over-time revenue recognition criteria is met.

1.14 Interest receivable and interest payable

Interest payable includes interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

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

1.15 Taxation

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

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

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

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

Notes to the financial statements for the year ended 31 December 2023
*(forming part of the financial statements) (continued)***1 Accounting policies (continued)****1.16 IFRS 16 leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

Company as a lessee***Right-of-use assets***

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, a change in the assessment of whether the Company is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the financial statements for the year ended 31 December 2023 *(forming part of the financial statements) (continued)*

1 Accounting policies (continued)

1.16 IFRS 16 leases (continued)

Company as a lessee (continued)

Short-term leases and leases of low-value assets

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

1.17 Impact of new standards and interpretations

There are no amendments to accounting standards that are effective for the year ended 31 December 2023 which have had a material impact on the Company other than the amendments to IAS 1 which has resulted in only material accounting policies being disclosed.

Notes to the financial statements for the year ended 31 December 2023 (forming part of the financial statements) (continued)

2 Turnover

	2023 €000	2022 €000
Sale of goods	626,286	1,154,376
Total turnover	626,286	1,154,376
	2023 €000	2022 €000
By activity:		
O&P Europe	626,286	1,154,376
By geographical market:		
UK	88,249	393,094
Rest of Europe	519,853	720,473
The Americas	16,793	33,979
Rest of World	1,391	6,830
	626,286	1,154,376

All revenue is derived from UK operations.

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and geographical locations from which the Company derives revenues.

Revenues from external customers for each product and service or each group of similar products and services and a geographic analysis of segment assets are not presented as the necessary information is not available and the directors are of the opinion that the cost to develop it would be excessive. The timing of revenue recognition of the Company's sales transactions is at a point in time. Revenues for goods or services transferred over-time are immaterial.

No contract assets or liabilities have been recognised in the Balance Sheet of the Company. Its impact, if any, was deemed immaterial. The performed analysis has concluded that the right of payment of the goods and services sold by the Company is unconditional, except for the passage of time. Therefore, all rights of payment have been booked as trade debtors.

No assets related to costs to obtain or fulfil a contract have been recognised.

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

3 Operating loss

Included in operating loss are the following:

	2023 €000	2022 €000
Depreciation of right-of-use assets (Note 9)	44	84
Income from sub-leasing right-of-use assets	(12)	(29)
Exchange loss	1,227	5,896
Other operating income	(2)	(4)
	<u> </u>	<u> </u>

4 Staff numbers and costs

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2023	2022
Distribution	17	16
Sales and marketing	3	3
Administration	82	78
	<u> </u>	<u> </u>
	102	97
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2023 €000	2022 €000
Wages and salaries	8,331	7,050
Social security costs	735	688
Other pension costs - defined benefit plan (Note 18)	126	171
Other pension costs - defined contribution plan (Note 18)	534	493
	<u> </u>	<u> </u>
	9,726	8,402
	<u> </u>	<u> </u>

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

5 Directors' remuneration

	2023 €000	2022 €000
Directors' emoluments	728	1,003
Social security costs	92	87
	<u>820</u>	<u>1,090</u>

The aggregate of emoluments and amounts receivable under long-term incentive schemes of the highest paid director was €416,000 (2022: €519,000).

	Number of directors	
	2023	2022
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	1	1

6 Interest receivable and similar income

	2023 €000	2022 €000
Interest income on financial assets measured at amortised cost	27,839	14,373
Net interest on net defined benefit pension plan liability (Note 18)	-	442
Net foreign exchange gain	7,953	-
	<u>35,792</u>	<u>14,815</u>

Interest receivable and similar income includes interest receivable from group undertakings of €27,097,000 (2022: €14,078,000).

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

7 Interest payable and similar expenses

	2023 €000	2022 €000
Interest expense on financial liabilities measured at amortised cost	19,936	8,102
Interest on lease liabilities	3	3
Net interest on net defined benefit pension plan liability (Note 18)	156	-
Net foreign exchange loss	-	26,276
	<u>20,095</u>	<u>34,381</u>

Interest payable and similar expenses includes interest payable to group undertakings of €19,936,000 (2022: €7,989,000).

8 Tax on loss

Recognised in the profit and loss account

	2023 €000	2022 €000
<i>UK corporation tax</i>		
Tax on loss for the year	(23,206)	(16,392)
Adjustments in respect of prior periods	715	(759)
	<u>(22,491)</u>	<u>(17,151)</u>
<i>Deferred tax (Note 13)</i>		
Origination and reversal of temporary differences	69	74
Impact of rate change	4	23
	<u>73</u>	<u>97</u>
Tax credit on loss	<u>(22,418)</u>	<u>(17,054)</u>

Income tax recognised in other comprehensive expense

	2023 €000	2022 €000
Remeasurements of defined benefit liability	<u>315</u>	<u>6,587</u>

Notes to the financial statements for the year ended 31 December 2023
(forming part of the financial statements) (continued)**8 Tax on loss (continued)****Reconciliation of effective tax rate**

	2023 €000	2022 €000
Tax on loss	(22,418)	(17,054)
Loss before taxation	(98,456)	(85,884)
Loss before taxation multiplied by the standard rate of tax in the UK of 23.50% (2022: 19%)	(23,137)	(16,318)
Reduction of previously unrecognised tax losses	4	23
Adjustments in respect of prior periods	715	(759)
Total tax credit	(22,418)	(17,054)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Income taxes in the profit and loss for the year ended 31 December 2023 are measured at 23.5% (blended average).

In line with the amendment to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules, the Company has applied the temporary exemption to disclose separately its current tax expenses related to Pillar Two income taxes and it has not incurred any Pillar Two income taxes for the financial year 2023.

9 Tangible assets

	Right-of-use assets €000	Total €000
Cost		
Balance at 1 January 2023	336	336
Additions	44	44
Disposals	(336)	(336)
Balance as at 31 December 2023	44	44
Accumulated depreciation		
Balance as at 1 January 2023	(296)	(296)
Depreciation charge	(44)	(44)
Disposals	336	336
Balance as at 31 December 2023	(4)	(4)
Net book value		
At 31 December 2022	40	40
At 31 December 2023	40	40

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

9 Tangible assets (continued)

Right-of-use assets

The Company leases assets including plant and machinery and transportation assets which are classified as right-of-use assets.

	Plant and Machinery €000	Transportation €000	Right-of-use assets total €000
Cost			
Balance at 1 January 2023	306	30	336
Additions	-	44	44
Disposals	(306)	(30)	(336)
Balance as at 31 December 2023	-	44	44
Accumulated depreciation			
Balance at 1 January 2023	(272)	(24)	(296)
Depreciation charge	(34)	(10)	(44)
Disposals	306	30	336
Balance as at 31 December 2023	-	(4)	(4)
Net book value			
At 31 December 2022	34	6	40
At 31 December 2023	-	40	40

See Note 17 for the lease obligations related to right-of-use assets.

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

10 Investments

	Loans to group undertakings €000
Cost	
Balance at 1 January 2023	477,612
Additions	157,568
Repayments	(146,353)
Exchange	8,115
Balance as at 31 December 2023	496,942
Net book value	
At 31 December 2022	477,612
At 31 December 2023	496,942

11 Stocks

	2023 €000	2022 €000
Raw materials and consumables	22,334	22,329
Finished goods	55,598	50,899
	77,932	73,228

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €348,577,000 (2022: €711,186,000). The write-down of stocks to net realisable value amounted to €76,000 (2022: €nil). The reversal of write-downs amounted to €nil (2022: €726,000). The write-down and reversal are included in the cost of sales.

Notes to the financial statements for the year ended 31 December 2023

(forming part of the financial statements) (continued)

12 Debtors

		Restated (see Note 1)
	2023	2022
	€000	€000
Trade debtors	58,628	89,368
Amounts owed by group undertakings	24,809	3,417
Other debtors	91	89
Prepayments	90	100
Accrued income	252	429
Taxation and social security	1,669	64
Related party loan	1,100	1,100
Deferred tax asset (Note 13)	15,211	14,969
	101,850	109,536
Due within one year	85,450	94,478
Due after more than one year	16,400	15,058

Amounts owed by group undertakings attract interest at commercial rates that are either subject to standard trading terms or are repayable on demand.

The amounts not yet due after impairment losses as of the end of the reporting period are deemed to be collectable on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers. At 31 December 2023 and 2022 there were no significant trade, group undertakings or other debtor balances not past due that were subsequently impaired.

The allowance account for trade debtors is used to record any impairment unless the Company is satisfied that no recovery of the amount owing is probable; at the point the amounts considered irrecoverable are written off against the trade debtors directly. The Company applies the forward-looking 'expected credit loss' (ECL) model in line with IFRS 9 in assessing the recoverability of trade debtors. The ECL is calculated considering past experiences and management's estimate of future developments. Management expects no considerable change in the future market

